

## EXHIBIT B

**MDL 1570 PLAINTIFFS' EXECUTIVE COMMITTEES**

In re: Terrorist Attacks on September 11, 2001 (S.D.N.Y.)

<b>Plaintiffs' Executive Committee for Personal Injury and Death Claims</b>	<b>Plaintiffs' Executive Committee for Commercial Claims</b>
Ronald L. Motley, <i>Co-Chair</i> MOTLEY RICE LLC James P. Kreindler, <i>Co-Chair</i> KREINDLER & KREINDLER LLP	Elliot R. Feldman, <i>Co-Chair</i> Sean Carter, <i>Co-Chair</i> COZEN O'CONNOR
Andrew J. Maloney III, <i>Co-Liaison Counsel</i> KREINDLER & KREINDLER LLP Paul J. Hanly, Jr., <i>Co-Liaison Counsel</i> HANLY CONROY BIERSTEIN SHERIDAN FISHER & HAYES LLP	J. Scott Tarbutton, <i>Liaison Counsel</i> COZEN O'CONNOR

**VIA HAND DELIVERY**

May 27, 2011

The Honorable George B. Daniels  
United States District Court  
Southern District of New York  
Daniel Patrick Moynihan United States  
Courthouse  
500 Pearl Street, Room 630  
New York, NY 10007

Re: *In Re: Terrorist Attacks on September 11, 2001*, 03 MDL 1570 (GBD)

Dear Judge Daniels:

The undersigned Co-Chairs of the Plaintiffs' Executive Committees submit this letter to request the Court's assistance in protecting the rights of the September 11<sup>th</sup> Plaintiffs as against the al Qaeda terrorist organization.

Although the proceedings in this litigation have understandably focused primarily on the claims asserted against parties who have formally appeared to defend the claims asserted against them, the September 11<sup>th</sup> Plaintiffs also brought claims against numerous entities and individuals who elected not to appear, including the al Qaeda terrorist organization itself. Through a series of orders issued between April 7, 2006 and May 12, 2006, Judge Casey entered default judgments as to liability against al Qaeda in virtually all of the cases comprising this MDL. Copies of those Orders are enclosed as Exhibit "A" for the Court's convenience.

In order to fully protect the September 11<sup>th</sup> Plaintiffs' rights against al Qaeda, and ensure that the September 11<sup>th</sup> Plaintiffs do not suffer harm as a result of execution proceedings initiated by other parties against al Qaeda, the September 11<sup>th</sup> Plaintiffs urgently need to have at least certain of their default judgments against al Qaeda reduced to a monetary sum.

The Honorable George B. Daniels

May 27, 2011

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After conferring extensively concerning this issue, the Plaintiffs' Executive Committees believe there is an efficient course available to protect the September 11<sup>th</sup> Plaintiffs' interests against al Qaeda, which will not require significant investment of the Court's time and resources. Specifically, certain of the plaintiffs in the *Federal Insurance* matter (the *Federal Insurance* Plaintiffs) filed a Motion for Assessment of Damages against Defaulted Defendants on February 13, 2007. That motion requested that the Court assess damages against nearly three hundred defaulted defendants pursuant to the Anti-Terrorism Act, on the basis of detailed affidavit testimony submitted by the *Federal Insurance* Plaintiffs' designated representatives and officers. For the Court's convenience, a copy of the primary brief submitted by the *Federal Insurance* Plaintiffs, including the affidavits submitted as exhibits thereto, is attached hereto as Exhibit "B." The *Federal Insurance* Plaintiffs' reply brief is attached hereto as Exhibit "C."

At this time, the undersigned co-chairs of the Plaintiffs' Executive Committees respectfully request that the Court take up consideration of the *Federal Insurance* Plaintiffs' Motion for Assessment of Damages, *but only insofar as it relates to the al Qaeda terrorist organization itself*. While many of the claims asserted in this litigation have been fiercely contested, Plaintiffs respectfully submit that no party would disagree that the September 11<sup>th</sup> Plaintiffs are entitled to a judgment against al Qaeda. Any monetary judgment entered against al Qaeda in favor of the *Federal Insurance* Plaintiffs will be used to advance and protect the interests of all plaintiffs in the MDL.

Accordingly, the Plaintiffs' Executive Committees respectfully request that the Court resolve the *Federal Insurance* Plaintiffs' Motion for Assessment of Damages to the extent it relates to the al Qaeda terrorist organization itself, as soon as practicable.

The Honorable George B. Daniels  
May 27, 2011  
Page 3

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The Plaintiffs' Executive Committees thank Your Honor for the Court's consideration of this matter, and would welcome the opportunity to address the Court concerning this application at a brief hearing.

Respectfully submitted,

COZEN O'CONNOR

COZEN O'CONNOR

By:



Elliott R. Feldman, Esquire  
Co-Chair Plaintiffs' Executive  
Committee for Commercial Claims

By:



Sean P. Carter, Esquire  
Co-Chair Plaintiffs' Executive  
Committee for Commercial Claims

KREINDLER & KREINDLER

MOTLEY, RICE, LLC

By:



James P. Kreindler, Esquire  
Co-Chair Plaintiffs' Executive  
Committee for Wrongful Death  
and Personal Injury Claims

By:



Ronald Motley, Esquire  
Co-Chair Plaintiffs' Executive  
Committee for Wrongful Death  
and Personal Injury Claims

cc: All MDL Counsel of Record  
The Honorable Frank Maas

# **EXHIBIT A**

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

101575  
USDC SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #:  
DATE FILED: 4-7-06

In re Terrorist Attacks on September 11, 2001

03 MDL 1570 (RCC)  
ECF Case

*This document relates to: Federal Insurance Co. v. al Qaida, 03-CV-6978 (RCC)*

*This document is filed on behalf of those Plaintiffs in the above-referenced case seeking un-liquidated damages for workers' compensation losses as they relate to personal injuries and deaths suffered by victims of the September 11, 2001 Attack. Those Plaintiffs are identified in Exhibit A attached hereto.*

**DEFAULT JUDGMENT**

This action having been commenced on September 10, 2003 by the filing of the Summons and Complaint, the First Amended Complaint and Summons were filed on March 10, 2004, defendants listed in Exhibit B were served with a copy of the First Amended Complaint and Summons in the manner described, proofs of such service thereof were filed on the dates identified in Exhibit B, the defendants not having answered the First Amended Complaint, and the time for answering the First Amended Complaint having expired, it is

ORDERED, ADJUDGED AND DECREED: That the Plaintiffs identified in Exhibit A seeking un-liquidated damages for workers' compensation losses, have judgment against the defendants listed in Exhibit B, and shall be entitled to a hearing before this Court to establish the estate value of the Plaintiffs' un-liquidated damages.

New York, New York

September 11, 2005

04/07/2006

*Richard C. [Signature]*

U.S.D.J.

This document was entered on the docket on

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORKUSDC SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #1  
DATE FILED: 4-7-06

In re Terrorist Attacks on September 11, 2001

03 MDL 1570 (RCC)  
ECF Case

*This document relates to: Federal Insurance Co. v. al Qaida, 03-CV-6978 (RCC)*

*This document is filed on behalf of those Plaintiffs in the above-referenced case seeking liquidated damages for property, business interruption, and other economic losses as a result of the September 11, 2001 Attack. Those Plaintiffs are identified in Exhibit A attached hereto.*

**DEFAULT JUDGMENT**

This action having been commenced on September 10, 2003 by the filing of the Summons and Complaint, the First Amended Complaint and Summons were filed on March 10, 2004, defendants listed in Exhibit B were served with a copy of the First Amended Complaint and Summons in the manner described, proofs of such service thereof were filed on the dates identified in Exhibit B, the defendants not having answered the First Amended Complaint, and the time for answering the First Amended Complaint having expired, it is

ORDERED, ADJUDGED AND DECREED: That the Plaintiffs identified in Exhibit A *as seeking liquidated damages for property, business interruption, and other economic losses as a result of the September 11, 2001 Attack* have judgment against the defendants listed in Exhibit B, in the liquidated amount of *\$4,992,570,314.39 multiplied by three for treble damages under the Anti-Terrorism Act ("ATA"), 18 U.S.C. § 2333 et seq., equaling \$14,977,710,943.17, with interest at 9% from September 11, 2001 amounting to \$5,458,452,355.25, plus costs and disbursements of this action in the amount of \$30,575.51, amounting in all to \$20,436,193,873.93.*

Dated: New York, New York

September 2005

April 7, 2006

*Richard C. [Signature]*

U.S.D.J.

This document was entered on the docket on

USDC SDNY  
DOCUMENT

ELECTRONICALLY FILED

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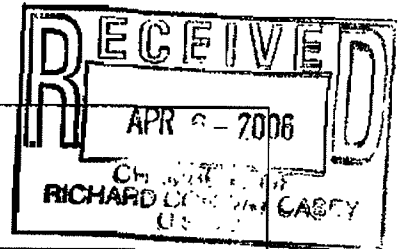
DATE FILED: 4-7-06

Case 1:03-md-01570-GBD -FM Document 1756 Filed 04/07/06 Page 1 of 2

CASEY, J

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

In re Terrorist Attacks on September 11, 2001

03 MDL 1570 (RCC)  
ECF Case

*This document relates to: Burnett, et al., v. Al Baraka Investment & Dev. Corp., 1:03 CV 9849*

*This document is filed on behalf of those plaintiffs in the above-referenced case seeking un-liquidated damages for losses as they relate to personal injuries and deaths suffered by victims of the September 11, 2001 Attack. Those Plaintiffs are identified in Exhibit A attached hereto.*

**DEFAULT JUDGMENT**

This action having been commenced on August 15, 2002 in the United States District Court for the District of Columbia by the filing of the Summons and Complaint; the Amended Complaint was filed on August 30, 2002, the Second Amended Complaint was filed on September 10, 2002, and the Third Amended Complaint filed on November 22, 2002; the case was transferred by the Judicial Panel on Multidistrict Litigation to the United States District Court for the Southern District of New York on January 2, 2004; each of the defendants listed in Exhibit B were served via publication pursuant to an order dated June 30, 2003 by Judge James Robertson of the United States District Court for the District of Columbia, and by order of this Court dated September 16, 2004 permitting service via publication, and proofs of such service thereof were filed on the dates identified in Exhibit B, the defendants not having answered the complaint, and the time for answering the complaint having expired, it is

ORDERED, ADJUDGED AND DECREED: That the Plaintiffs identified in Exhibit A as seeking un-liquidated damages for losses, have judgment against the defendants listed in Exhibit B, and shall be entitled to a hearing before this Court to establish the aggregate value of the Plaintiffs' un-liquidated damages.



Dated: New York, New York  
April 1, 2006



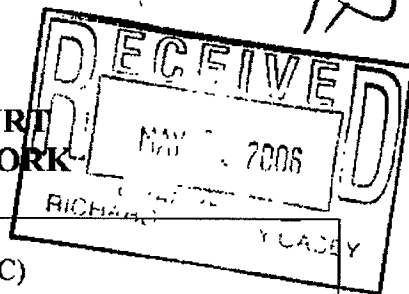
U.S.D.J.

This document was entered on the docket on

April 17, 2006



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**



In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case
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*This document relates to: Euro Brokers Inc. et al., v. Al Baraka Investment & Development Corp., et al., 1:03 CV 7279*

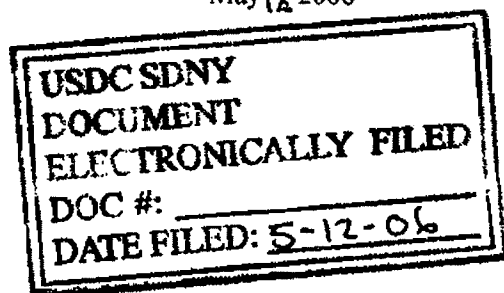
*This document is filed on behalf of those plaintiffs in the above-referenced case seeking damages for losses suffered by plaintiffs as a result of the September 11, 2001 Attack. Those Plaintiffs are identified in Exhibit A attached hereto.*

**DEFAULT JUDGMENT**

This action having been commenced on September 10, 2004 by the filing of the Summons and Complaint; defendants listed in Exhibit B were served with a copy of the complaint and summons in the manner described, proofs of such service thereof were filed on the dates identified in Exhibit B, the defendants not having answered the complaint, and the time for answering the complaint having expired, it is

ORDERED, ADJUDGED AND DECREED: That the Plaintiffs identified in Exhibit A as seeking damages for losses, have judgment against the defendants listed in Exhibit B, and shall be entitled to a hearing before this Court to establish the aggregate value of the Plaintiffs' damages.

Dated: New York, New York  
May 12, 2006



*Richard C. Casey*

U.S.D.J.

This document was entered on the docket on

*g*

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY  
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DOC #:  
DATE FILED: 5-12-06

In re Terrorist Attacks on September 11, 2001

03 MDL 1570 (RCC)  
ECF Case

*This document relates to: World Trade Center Properties LLC, et al., v. Al Baraka Investment & Development Corp., et al., 1:03 CV 7280*

*This document is filed on behalf of those plaintiffs in the above-referenced case seeking damages for losses suffered by plaintiffs as a result of the September 11, 2001 Attack. Those Plaintiffs are identified in Exhibit A attached hereto.*

**DEFAULT JUDGMENT**

This action having been commenced on September 10, 2004 by the filing of the Summons and Complaint; defendants listed in Exhibit B were served with a copy of the complaint and summons in the manner described, proofs of such service thereof were filed on the dates identified in Exhibit B, the defendants not having answered the complaint, and the time for answering the complaint having expired, it is

ORDERED, ADJUDGED AND DECREED: That the Plaintiffs identified in Exhibit A as seeking damages for losses, have judgment against the defendants listed in Exhibit B, and shall be entitled to a hearing before this Court to establish the aggregate value of the Plaintiffs' damages.

Dated: New York, New York

~~May 3, 2006~~

May 12



U.S.D.J.

This document was entered on the docket on

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY	
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DOC #:	
DATE FILED:	5-12-06

In re Terrorist Attacks on September 11, 2001

03 MDL 1570  
ECF Case*This document relates only to: Ashton v. Al Qaeda Islamic Army, 02-CV-6977 (RCC)**This document is filed on behalf of those plaintiffs in the above case seeking unliquidated damages for losses as they relate to personal injuries and deaths suffered by victims of the September 11<sup>th</sup> Terrorist Attacks. Those plaintiffs are listed in Exhibit A hereto.***DEFAULT JUDGMENT**

This action having been commenced on September 4, 2002, in the United States District Court for the Southern District of New York by the filing of the *Ashton* Summons and Complaint; the First Amended Complaint was filed on September 10, 2002, the Consolidated Master Complaint was filed on March 6, 2003, the First Amended Consolidated Master Complaint was filed on August 5, 2003, the Second Amended Consolidated Master Complaint was filed on August 13, 2003, the Third Amended Consolidated Master Complaint was filed on September 5, 2003, the Fourth Amended Consolidated Master Complaint was filed on March 10, 2004, the Fifth Amended Consolidated Master Complaint was filed on September 20, 2004, and the Sixth Amended Consolidated Master Complaint was filed on September 30, 2005; each of the defendants listed in Exhibit B were served by publication pursuant to an Order of this Court dated September 16, 2004, permitting service by publication, and proofs of such service were filed on dates set forth in Exhibit B, those defendants not having answered or otherwise defended against the *Ashton* complaint, and the time for answering or otherwise defending against the *Ashton* complaint having expired, it is

ORDERED, ADJUDGED AND DECREED: That the Plaintiffs listed in Exhibit A as

seeking unliquidated damages for losses, have Judgment against the defendants listed in Exhibit

<sup>subject to deletions submitted by Plaintiffs</sup>  
B, and shall be entitled to a hearing before this Court to establish the aggregate value of the

Plaintiffs' unliquidated damages.

Dated: New York, New York

~~April~~ \_\_, 2006

May 12

*Richard C. L. [Signature]*

United States District Judge

*[Signature]*

This document was entered on the docket on:

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# **EXHIBIT B**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case
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This document relates to:

*Federal Insurance Co., et al. v. Al Qaida, et al.*, No. 03-CV-6978

**MOTION OF PLAINTIFFS AXA, CHUBB, MUNICH RE AMERICA, ONEBEACON  
INSURANCE GROUP, AND TIG INSURANCE COMPANY<sup>1</sup> TO ASSESS DAMAGES  
AGAINST DEFAULTED DEFENDANTS FOR BUSINESS AND PROPERTY CLAIMS  
UNDER THE ANTI-TERRORISM ACT**

PLEASE TAKE NOTICE that, pursuant to the Federal Rules of Civil Procedure and based upon the accompanying Memorandum of Law and Affirmation, Plaintiffs AXA, Chubb, Munich Re America, OneBeacon Insurance Group, and TIG Insurance Company, by and through the undersigned counsel, hereby move this Court for an Order assessing damages against the defendants listed in Exhibit B to the Affirmation of Sean P. Carter in Support of the Motion in the amount of \$9,481,764,208.61, the total of the claim indemnity payments, claim adjustment expenses, and claim legal expenses, trebled, in damages against defaulted defendants, jointly and

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<sup>1</sup> As per the Affidavits filed Herewith as Exhibits C-F (filed under seal) to the Affirmation of Sean P. Carter Transmitting Evidence in Support of the Memorandum of Law of Plaintiffs AXA, Chubb, Munich Re America, OneBeacon Insurance Group, and TIG (the "Carter Affirmation"), the AXA Companies Are AXA Art Insurance Company, AXA Global Risks (UK) Ltd., AXA CSA UK Branch; AXA Insurance Company, AXA Reinsurance Company, AXA Re, AXA Re Canadian Branch, AXA Re UK Plc, AXA Versicherung, And SPS Re; The Chubb Companies are Chubb Custom Insurance Company, Chubb Insurance Company of Canada, Chubb Insurance Company of New Jersey, Chubb Indemnity Insurance Company, Federal Insurance Company, Great Northern Insurance Company, Pacific Indemnity Company and Vigilant Insurance Company; and the Munich Re America Companies are American Alternative Insurance Corporation, The Princeton Excess and Surplus Lines Insurance Company and The Great Lakes (UK) Insurance Company.

severally, to which Movants are entitled as of this date under the Anti-Terrorism Act, 18 U.S.C.

§ 2333(a).

Respectfully submitted,

COZEN O'CONNOR

BY:                     /s/                      
Stephen A. Cozen, Esquire  
Elliott R. Feldman, Esquire  
Sean P. Carter, Esquire  
Adam C. Bonin, Esquire  
1900 Market Street  
Philadelphia, PA 19103  
Tel: (215) 665-2000

Attorneys for Federal Insurance Plaintiffs



I hereby certify that, pursuant to this Court's Case Management Order No. 2, On February 13, 2007, a true and correct copy of the foregoing Motion of Plaintiffs AXA, Chubb, Munich Re America, OneBeacon Insurance Group, and TIG Insurance Company to Assess Damages Against Defaulted Defendants for Business and Property Claims under the Anti-Terrorism Act was served on all counsel, electronically, via the Court's Electronic Case Filing (ECF) System.

BY: /s/  
Adam C. Bonin, Esquire  
1900 Market Street  
Philadelphia, PA 19103  
Tel: (215) 665-2000

Dated: February 13, 2007

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case
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This document relates to:

*Federal Insurance Co., et al. v. Al Qaida, et al.*, No. 03-CV-6978

**MEMORANDUM OF LAW OF PLAINTIFFS AXA, CHUBB, MUNICH RE AMERICA,  
ONEBEACON INSURANCE GROUP, AND TIG<sup>1</sup> IN SUPPORT OF THEIR MOTION  
TO ASSESS DAMAGES AGAINST DEFAULTED DEFENDANTS  
FOR BUSINESS AND PROPERTY CLAIMS UNDER THE ANTI-TERRORISM ACT**

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<sup>1</sup> As per the Affidavits filed Herewith as Exhibits C-G to the Affirmation of Sean P. Carter in Support of the Motion of Plaintiffs AXA, Chubb, Munich Re America, OneBeacon Insurance Group, and TIG (the "Carter Affirmation"), the AXA Companies Are AXA Art Insurance Company, AXA Global Risks (UK) Ltd., AXA CSA UK Branch; AXA Insurance Company, AXA Reinsurance Company, AXA Re, AXA Re Canadian Branch, AXA Re UK Plc, AXA Versicherung, And SPS Re; The Chubb Companies are Chubb Custom Insurance Company, Chubb Insurance Company of Canada, Chubb Insurance Company of New Jersey, Chubb Indemnity Insurance Company, Federal Insurance Company, Great Northern Insurance Company, Pacific Indemnity Company and Vigilant Insurance Company; and the Munich Re Companies are American Alternative Insurance Corporation and The Princeton Excess and Surplus Lines Insurance Company and The Great Lakes (UK) Insurance Company.

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## I. INTRODUCTION

On September 11, 2001, members of the al Qaida terrorist network hijacked four commercial airliners, and used those planes as weapons in a coordinated terrorist attack on the United States (the “September 11<sup>th</sup> Attack”). The September 11<sup>th</sup> Attack resulted in the tragic loss of several thousand lives, personal injuries to countless other persons, and property damage on a catastrophic scale, including the complete destruction of the World Trade Center complex in New York City. Plaintiffs in the Federal Insurance action (Plaintiffs) are members of the insurance industry who, in accordance with their obligations under applicable policies of insurance, have paid well in excess of \$5 billion to insureds who were killed, injured, or suffered property or other forms of economic damages as a result of the September 11<sup>th</sup> Attack.

Plaintiffs initiated this action by Complaint on September 10, 2003, seeking recovery for their direct and subrogated September 11<sup>th</sup> claims, as well as for the wrongful death and personal injury claims of several hundred victims of the September 11<sup>th</sup> Attack who elected to assign their claims to Plaintiffs. Plaintiffs filed a First Amended Complaint (FAC) and Amended Summons on March 10, 2004. The FAC asserts claims under several statutory and common-law theories, including claims under the Anti-Terrorism Act, 18 U.S.C. § 2331 et. seq. (ATA).

On September 29, 2005, Plaintiffs moved for entry of default judgments against 309 non-state defendants, based on their failure to appear to defend the claims against them after valid service of the FAC and Amended Summons.<sup>2</sup> On April 7, 2006, this Court entered an Order granting default judgments in favor of the plaintiffs and against those defendants as to liability. In that Order, the Court held that the amount of damages Plaintiffs were entitled to recover

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<sup>2</sup> Exhibit A to the Carter Affirmation hereto describes the manner through which service upon each of those defendants was accomplished, as well as the date upon which service upon each of those defendants was perfected. Plaintiffs previously filed Exhibit A in connection with their September 29, 2005 Motion for Entry of Default Judgments.



against the defaulted defendants under the various theories of liability advanced in the FAC were to be determined later.

Movants AXA, Chubb, Munich Re America, OneBeacon and TIG (Movants) are plaintiffs in the Federal Insurance action who have asserted claims against the defaulted defendants under the ATA for “business and property” damages. More specifically, Movants have made payments to insureds for business, property and related damages those insureds suffered as a result of the September 11<sup>th</sup> Attack. Movants have asserted claims against the defaulted defendants under the ATA for all direct and subrogated business and property injuries associated with those payments, and the handling of the underlying insurance claims.<sup>3</sup>

In an effort to limit the scope of the necessary damages proceedings relative to the default judgments entered in their favor, Movants seek through the present Motion to establish the amount of damages they are entitled to recover for their ATA claims for injury to business and property from the defaulted defendants identified in Exhibit B to the Carter Affirmation hereto.<sup>4</sup> For the reasons set forth in further detail below, those damages may be measured under the ATA simply by calculating the amount of money Movants were compelled to expend under applicable policies of insurance as a result of the September 11<sup>th</sup> Attack, and trebling that aggregate figure.

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<sup>3</sup> Certain of the Movants have also made payments under worker’s compensation insurance policies for personal injuries or deaths resulting from the Attack. Although those payments constitute injuries to Movants’ “business and property” as well, the underlying wrongful death and personal injury claims have been assigned to those Movants. The losses arising from those payments are therefore captured within the asserted wrongful death and personal injury claims. Plaintiffs will seek an assessment of damages for those wrongful death and personal injury claims, under the ATA and all other theories of liability, at a later date.

<sup>4</sup> On July 12, 2006, the Court vacated the default judgments previously entered against Al Aqsa Islamic Bank, Al Baraka Bancorp, Dallah Avco Trans Arabia, Sanabil, Inc., Sanabel al-Kheer and Tadamon Islamic Bank at the mutual request of plaintiffs and those defendants. Because the default judgments entered against those defendants have been vacated, those defendants have been excluded from the list submitted as Exhibit B to the Carter Affirmation. In addition, Movants have excluded defendant Samir Salah from the scope of the present Motion. Mr. Salah wrote to plaintiffs several months ago to request that Plaintiffs voluntarily vacate the default judgment entered against him. Plaintiffs have requested, but not yet received, additional information necessary to evaluate that request.

In the context of the default judgment proceedings against the defendants identified in Exhibit B to the Carter Affirmation, the detailed affidavits of Movants' officers and representatives, submitted in support of this Motion and attached as Exhibits C-G of the Carter Affirmation, provide a competent and appropriate evidentiary basis for setting the value of Movants' business and property damages under that standard.

## II. LEGAL ARGUMENT

### A. The Measure of Damages is a Question of Law for the Court

As the Second Circuit has recognized, the measure of damages applicable to a plaintiff's cause of action is a question of law to be determined by the Court. D. Klein & Son, Inc. v. Good Decision, Inc., 2005 U.S. App. LEXIS 2764 (2d Cir. Feb. 15, 2005); Oscar Gruss & Son, Inc. v. Hollander, 337 F.3d 186, 196 (2d Cir. 2003); Wolff & Munier, Inc. v. Whiting-Turner Contracting Co., 946 F.2d 1003, 1009 (2d Cir. 1991). "Ultimately, therefore, 'it is for the district judge, after becoming aware of the nature of the case, to determine the appropriate measure of damages in the first instance.'" Panos v. Island Gem Enters., 880 F. Supp. 169, 175 (S.D. N.Y. 1995), *citing* Arrington v. Merrill Lynch, Pierce, Fenner & Smith, Inc., 651 F.2d 615, 620-21 (9th Cir. 1981).

Where a plaintiff is entitled to recover damages under a federal statute with remedial and deterrent objectives, the Court should liberally construe the remedies available thereunder to advance those goals. Jones v. UNUM Life Ins. Co. of Am., 223 F.3d 130, 139 (2d Cir. 2000) (ERISA); New Mexico v. GE, 467 F.3d 1223, 1238 (10th Cir. 2006) (CERCLA); Nat'l Treasury Employees Union v. Fed. Labor Relations Auth., 856 F.2d 293, 296 (D.C. Cir. 1988) (LMRA); Air Line Pilots Ass'n v. Continental Airlines (In re Continental Airlines), 125 F.3d 120, 135-136 (3d Cir. 1997) (Title VII), *cert. denied*, 522 U.S. 114 (1998); Evans v. City of Chicago, 434 F.3d 916, 925 (7th Cir. 2006) (RICO). As a result, more than one standard may be available for

measuring a plaintiff's damages under a federal statute. *See Osofsky v. Zipf*, 645 F.2d 107, 111 (2d Cir. 1981), *quoting Birdsall v. Coolidge*, 93 U.S. 64, 70 (1876) ("Still, it is obvious that 'there cannot be any one rule of damages which will apply in all cases, even where it is conceded that the finding must be limited to actual damages.'") The same is true under New York law. *Ashland Management v. Janien*, 82 N.Y. 2d 395, 403 (N.Y. 1993); *Aqua Dredge, Inc. v. Stony Point Marina & Yacht Club, Inc.*, 183 A.D. 2d 1055, 1057-1058 (N.Y. App. Div. 1992).

Still, in matters such as this a plaintiff need not prove its damages under any applicable standard with mathematical certainty. *Garvin v. Greenbank*, 856 F.2d 1392, 1401 (9th Cir. 1988) (federal securities law); *Sutton v. Earles*, 26 F.3d 903, 918 (9th Cir. 1994) (FTCA); *Home Placement Service, Inc. v. Providence Journal Co.*, 819 F.2d 1199, 1205 (1st Cir. 1987) (Sherman Act) (internal cites omitted). To the contrary, a plaintiff need only provide a rational evidentiary basis for calculating damages, which is not merely speculative or conjectural. As noted in *Garvin*, "Damages need not be proven to a mathematical certainty. Sufficient evidence must be introduced so that the court can arrive at an intelligent estimate without speculation and conjecture. It is for the judge, after becoming aware of the nature of the case, to determine the appropriate measure of damages." 856 F.2d at 1401.

Moreover, when a lack of precision in calculating damages has resulted from the nature of defendant's wrong, "The risk of uncertainty must fall on the defendant whose wrongful conduct caused the damages." *Mid-America Tablewares v. Mogi Trading Co.*, 100 F.3d 1353, 1366 (7th Cir. 1996). *See, similarly, Story Parchment Co. v. Paterson Parchment Paper Co.*, 282 U.S. 555, 562 (1931) ("It is true that there was uncertainty as to the extent of the damage, but there was none as to the fact of damage; and there is a clear distinction between the measure of proof necessary to establish the fact that petitioner had sustained some damage, and the measure of proof necessary to enable the jury to fix the amount. The rule which precludes the recovery of

uncertain damages applies to such as are not the certain result of the wrong, not to those damages which are definitely attributable to the wrong and only uncertain in respect of their amount.”)

B. Monetary Losses and Expenditures Constitute Injuries to  
“Business and Property” Under the ATA

Movants seek to establish damages under the Anti-Terrorism Act, one of the causes of action for which judgment has been entered against the defaulting defendants. For the reasons which follow, the Anti-Terrorism Act allows recover for movants’ monetary losses and expenditures resulting from defendants’ actions.

1. The Anti-Terrorism Act

Although plaintiffs have obtained default judgments against these defendants under several theories of liability, this Motion concerns only the assessment of damages for their business and property damage claims under the ATA.<sup>5</sup> In enacting the ATA, Congress sought to deter acts of international terrorism, “by imperil[ing] the flow of terrorism’s lifeblood, money.” Ungar v. The Palestine Auth, 325 F. Supp. 2d 15, 16 (D. R.I. 2004). In furtherance of that objective, the ATA extends civil liability and penalties “to any point along the causal chain of terrorism” and “to the furthest reaches of the common law.” Boim v. Quranic Literacy Institute, 291 F.3d 1000, 1011, 1021 (7<sup>th</sup> Cir. 2002). Pursuant to that statute:

Any national of the United States injured in his or her person, property or business by reason of an act of international terrorism... may sue therefore in any appropriate district court of the United States and shall recover threefold the damages he or she sustains and the cost of the suit, including attorneys’ fees.

18 U.S.C. § 2333(a).

To this point, no Court has had occasion to consider the measure of damages to be applied to a claim for injury to “property or business” under the ATA. However, the “property

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<sup>5</sup> Movants will seek an assessment of damages under other theories of liability, and/or for other categories of injury, at an appropriate date in the future.

or business” language of the ATA directly tracks the language Congress used in describing the remedies and damages available under the Clayton Act<sup>6</sup> and Civil RICO statute,<sup>7</sup> two statutes with similar deterrent and remedial objectives. The decisions interpreting the damages available for property and business injuries under those statutes thus guide this Court’s analysis of the measure of damages for Movants’ property and business damage claims under the ATA, as “it is a long-established principle of statutory construction that similar statutory language should be construed similarly.” United States v. Espinoza-Cano, 456 F.3d 1126, 1135 (9th Cir. 2006), *citing* Northcross v. Bd. of Educ. of Memphis City Sch., 412 U.S. 427, 428 (1973); United States v. Sioux, 362 F.3d 1241, 1246 (9th Cir. 2004). *See, similarly*, EEOC v. Reno, 758 F.2d 581, 583-84 (11th Cir.1985) (finding that because provisions of the Age Discrimination in Employment Act “were taken *in haec verba* from Title VII, decisions under the analogous section of Title VII are highly relevant to the issue before [the Court]”); White v. Mercury Marine, 129 F.3d 1428, 1434 (11th Cir. 1997) (“It is a familiar canon of statutory construction that courts should generally construe similar statutory language similarly.”).

Indeed, because “prior construction by courts of similar statutory language used in a new statute is one means of divining congressional intent,” *see* Wehrly v. United States, 808 F.2d 1311, 1314 (9th Cir. 1986), it would be inappropriate for this Court to not consider the interpretation of similar statutory text. *See also* Merrill Lynch, Pierce, Fenner & Smith, Inc. v. Curran, 456 U.S. 353, 378-82 (1982); United States v. Jordan, 915 F.2d 622, 628 (11th Cir. 1990), *cert. denied*, 499 U.S. 979 (1991) (“Under accepted rules of statutory construction, it is generally presumed that Congress, in drafting legislation, is aware of well established judicial

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<sup>6</sup> 15 U.S.C. §15 grants a cause of action to “any person who shall be insured in his business or property” by reason of an antitrust violation.

<sup>7</sup> 18 U.S.C. § grants a cause of action to “any person who shall be injured in his business or property” by reason of an antitrust violation.

constructions of other pertinent existing statutes.”) Hill v. Chem. Bank, 799 F. Supp. 948, 952 (D. Minn. 1992) (“Congress is presumed to be aware of judicial interpretations of statutory language when it intentionally incorporates the language of one statute into another statute.”).

## 2. The Clayton Act

In interpreting the measure of damages available for injuries to business or property under the Clayton Act and RICO, the federal courts have universally held that a plaintiff’s loss or expenditure of money constitutes an injury to both business and property, compensable under those statutes. In allowing for civil recovery for victims of antitrust violations, the Clayton Act, 15 U.S.C. §§ 12 *et seq.*, provides as follows:

Any person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor in any district court of the United States . . . without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney’s fee.

15 U.S.C. § 15. In Reiter v. Sonotone Corp., 442 U.S. 330 (1979), the Supreme Court affirmed that a loss of money is a form of damage to one’s “property” for purposes of the Clayton Act, even separate from damages to business. Id. at 338. In Reiter, retail purchasers of hearing aids sued under the Clayton Act alleging a variety of antitrust violations, including vertical and horizontal price fixing, resulting in higher costs to them. Defendants moved to dismiss, arguing that merely paying higher prices did not result in an injury to one’s “business or property” within the meaning of the Act.

The Supreme Court squarely rejected the defendants’ argument, and held that plaintiffs’ monetary losses were indeed compensable under the Clayton Act. Relying on Chattanooga Foundry & Pipe Works v. Atlanta, 203 U.S. 390, 396 (1960), the Court found no difficulty in including a loss of money within the meaning of injury to business or property. In an opinion which attracted no dissents, the Court held:



When a commercial enterprise suffers a loss of money it suffers an injury in both its “business” and its “property.” But neither term is rendered redundant by recognizing that a consumer not engaged in a “business” enterprise, but rather acquiring goods or services for personal use, is injured in “property” when the price of those goods or services is artificially inflated by reason of the anticompetitive conduct complained of. The phrase “business or property” also retains restrictive significance. It would, for example, exclude personal injuries suffered. E.g., Hamman v. United States, 267 F. Supp. 420, 432 (D. Mont. 1967). Congress must have intended to exclude some class of injuries by the phrase “business or property.” But it taxes the ordinary meaning of common terms to argue, as respondents do, that a consumer’s monetary injury arising directly out of a retail purchase is not comprehended by the natural and usual meaning of the phrase “business or property.” We simply give the word “property” the independent significance to which it is entitled in this context. A consumer whose money has been diminished by reason of an antitrust violation has been injured “in his . . . property” within the meaning of 4.

Reiter, 442 U.S. at 339. This decision has been universally followed in allowing antitrust damages to be awarded for loss of money. See, e.g., Int’l Bhd. of Teamsters, Local 734 Health & Welfare Trust Fund v. Philip Morris, Inc., 196 F.3d 818, 823 (7th Cir. 1999); Taffet v. Southern Co., 930 F.2d 847, 857 (11th Cir. 1991), *cert. denied*, 506 U.S. 1021 (1992); McCready v. Blue Shield of Virginia, 649 F.2d 228, 231 (4th Cir. 1981).

### 3. RICO

The Reiter holding has been repeatedly extended to the application of similar language in the RICO context to damages suffered through loss of money. In RICO, civil recovery is afforded to plaintiffs damages as a result of racketeering activity as follows:

Any person injured in his business or property by reason of a violation of section 1962 of this chapter may sue therefor in any appropriate United States district court and shall recover threefold the damages he sustains and the cost of the suit, including a reasonable attorney’s fee . . .

18 U.S.C. § 1964(c). As with the Clayton Act, the language “injured in his business or property” in the RICO statute has been consistently interpreted to apply to monetary losses,

*including a subrogee's right to recover for amounts paid to an insured.* See The National Asbestos Workers Medical Fund v. Philip Morris, Inc., 74 F. Supp. 2d 221, 233-34 (E.D. N.Y. 1999) (collecting cases), in which the plaintiff-insurer's right to seek recovery for economic injuries suffered by the insured was confirmed – in this case, the direct costs of treatment paid by the insurer for smoking-related illnesses:

The recovery of pecuniary losses associated with physical injuries directly caused by racketeering conduct is consistent with the language of the RICO statute. Such claims, furthermore, would materially advance the statute's legislative purposes of deterring racketeering, in all its forms, and of remedying, as fully as practicable, the economic consequences of racketeering. Finally, the recovery of these pecuniary losses is consistent with the expansive scope of RICO's civil remedy provisions as consistently interpreted by the Supreme Court.

74 F. Supp. 2d at 229. Similarly, in Anglo-Iberia Underwriting Mgmt. Co. v. Lodderhose, 282 F. Supp. 2d 126 (S.D. N.Y. 2003), following a default judgment in a RICO case based upon fraud on an reinsurance agreement, damages were assessed by calculating the amount of the premiums fraudulently paid to defendants. Id. at 128-29. *See also Albizu v. Strohl*, 2005 U.S. Dist. LEXIS 27578 (E.D. Cal. 2005), a RICO claim predicated upon fraud, in which damages were assessed using the value of the check tendered to defendants as a result of the fraud. Id. at \*34

More generally, money is property under RICO. See Bankers Trust Co. v. Rhoades, 741 F.2d 511 (2d Cir. 1984), *vacated and remanded on other grounds*, 473 U.S. 922 (1985) (“Bankers has alleged that it has been deprived of various sums of money by the defendants’ activities. There is no question that this constituted ‘injur[y] in [its] business or property. . .’”); Schwab v. Philip Morris USA, Inc., 2006 U.S. Dist. LEXIS 73196, \*69-70 (E.D.N.Y. 2006) (“*A fortiori*, if money is property under the antitrust laws, it is property under RICO”); Maio v. Aetna Inc., 221 F.3d 472, 484 (3d Cir. 2000).



Because the relevant language of the ATA directly tracks that of the Clayton Act and RICO, it is clear that money a plaintiff expends as a result of a violation of the ATA constitutes an injury to business and/or property, compensable under that statute. Northcross, 412 U.S. at 428. In keeping with that well established principle, the assessment of damages against the defaulted defendants for Movants' business and property claims under the ATA may be performed by calculating the money Movants expended as a result of the September 11<sup>th</sup> Attack and trebling that amount.<sup>8</sup>

For purposes of the present Motion, those monetary expenditures include: (1) the amounts Movants paid to their insureds for business, property, and related losses resulting from the September 11<sup>th</sup> Attack; and (2) amounts Movants expended in good faith to adjust the underlying insurance claims.<sup>9</sup> The National Asbestos Workers Medical Fund, 74 F. Supp. 2d at 233-34. In the context of the present default judgment proceedings, the detailed affidavits of Movants' officers and representatives, which attest to the aggregate value of those monetary expenditures, and describe the processes through which their companies analyzed and set the value of each claim submitted under an applicable "property insurance" policy, provide a competent evidentiary basis for setting the value of Movants' claims for business and property injury under the ATA.

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<sup>8</sup> Movants are entitled to seek punitive damages under the ATA as well. However, the assessment of punitive damages against these defendants should not be undertaken until the compensatory value for all Movants' claims against these defendants has been set, including the assigned wrongful death and personal injury claims. Under Supreme Court jurisprudence, punitive damages must bear a reasonable relationship to the harm caused. BMW of N. Am. v. Gore, 517 U.S. 559, 580-82 (1996). Accordingly, Movants reserve their right to seek or award of punitive damages against the defaulted defendants at an appropriate point in the future.

<sup>9</sup> Given the potential availability of other measures of damage for these claims under the ATA, Movants reserve their right to seek recovery under another appropriate measure, or to submit evidence of additional damages under the standard advanced herein, in relation to proceedings against the remaining defendants.

### III. METHOD OF PROVING DAMAGES

This section first summarizes the evidentiary standards for assessing damages in the context of default judgment proceedings, and then discusses the specific elements of the damage claims and evidence offered in relation to Movants' claims for relief under the ATA.

#### A. Damages Can Be Assessed Based Upon Affidavits and Documentary Evidence

Having already entered default judgments against these defendants as to liability under Fed. R. Civ. P. 55(b)(2), this Court may assess damages without holding an evidentiary hearing, instead relying on the affidavits and other documentary evidence presented by Movants. As one Second Circuit case explained:

Rule 55(b)(2) of the Federal Rules of Civil Procedure provides that, in order to determine the amount of damages in the context of a default judgment, "the court may conduct . . . a hearing." We have held that, under Rule 55(b)(2), "it [is] not necessary for the District Court to hold a hearing, as long as it ensured that there was a basis for the damages specified in the default judgment." Fustok v. ContiCommodity Services, Inc., 873 F.2d 38, 40 (2d Cir. 1989); *see* Tamarin v. Adam Caterers, Inc., 13 F.3d 51, 54 (2d Cir. 1993) ("not necessary for the district court to hold a hearing to fix damages after a default judgment had been entered where the court had 'relied upon detailed affidavits and documentary evidence supplemented by the District Judge's personal knowledge of the record gained during four years involvement with the litigation.'"); Action S.A. v. Marc Rich & Co., Inc., 951 F.2d 504, 508 (2d Cir. 1991) (where district judge was "inundated with affidavits, evidence, and oral presentations" a full evidentiary hearing was not necessary).

Transatlantic Marine Claims Agency, Inc. v. Ace Shipping Corp., 109 F.3d 105, 111 (2d Cir. 1997); *see also* Cablevision Sys. N.Y. City Corp. v. Lall, 2004 U.S. Dist. LEXIS 15346, \*3 (S.D. N.Y. 2004). Andy Warhol Found. for the Visual Arts, Inc. v. Barth & Dreyfuss, 2006 U.S. Dist. LEXIS 294, \*6 (S.D. N.Y. 2006).

In connection with the Court's analysis of whether the affidavits and documentary evidence provide a "basis for the damages specified in the default judgment," Transatlantic

Marine, 109 F.3d at 111, plaintiffs are entitled to “all reasonable inferences” from the evidence they offer, given the default setting. See Au Bon Pain Corp. v. Artect, Inc., 653 F.2d 61, 65 (2d Cir. 1981); Time Warner Cable v. Browne, 2000 U.S. Dist. LEXIS 6273, \*2 (S.D.N.Y. 2000).

B. This Court Can Rely Upon the Affidavits for This Assessment

Movants have carefully prepared these affidavits to explain to this Court the bases upon which they now seek relief. For the reasons which follow, this Court can recognize them as credible evidence, and assess damages accordingly.

1. The Affidavit Evidence Regarding Movants’ Aggregate Monetary Expenditures Provides a Competent Basis for Assessing Damages Against the Defaulted Defendants Under the ATA

In keeping with the foregoing standards, Movants may establish the value of their business and property damages under the ATA in the context of the present default judgment proceedings merely by submitting affidavits which describe, in general detail, the current aggregate value of the monetary expenditures and losses as a result of the September 11<sup>th</sup> Attack. Without question, such affidavits provide a rational basis for assessing damages under the governing measure, which is neither speculative nor conjectural. Furthermore, an assessment of damages against the defaulted defendants based on affidavit evidence of the aggregate value of Movants’ monetary expenditures and losses as the result of the September 11<sup>th</sup> Attack will advance the remedial and deterrent purposes of the ATA, as well as the public policy favoring prompt payment of claims made by an insured to an insurer, and is therefore particularly appropriate. Accordingly, Plaintiffs respectfully submit that this Court may validly assess damages against the defaulted defendants for Movants’ business and property claims under the ATA based solely on the affidavit evidence regarding the amount of money Movants expended as a result of the September 11<sup>th</sup> Attack, and trebling that amount.

2. Movants Employed Accepted and Sound Processes and Procedures in Adjusting the September 11 Claims

Although such additional detail is unnecessary in the present context, the affidavits submitted by Movants also provide extensive descriptions of the thorough claims adjustment processes through which their companies verified their obligations to compensate their insureds for losses sustained as a result of the September 11<sup>th</sup> Attack, and determined the fair value of each claim submitted. While each insurer's process varies slightly, the affidavits confirm that Movants followed longstanding, well-established principles and procedures applicable to the adjustment of claims in responding to the losses of their insureds following the September 11<sup>th</sup> Attack. In general terms, those processes involved, where feasible: confirmation of proper notice of all potential claims; verification of coverage under, and measurement of the claims against, the provisions of the policies of insurance; the protection of property from further loss, including reasonable repairs;<sup>10</sup> the separation of damaged from undamaged property; review of accounting records, bills, invoices and other documents; analysis of available receipts documenting increased costs and lost income; and visual examination of the damaged property.

In relation to the processes described above, and as further explained in the affidavits submitted herewith, the claims of Movants' insureds were subject to scrutiny by trained or experienced claims adjustment professionals, and this included in many instances analysis and review by outside professionals, such as certified public accountants, engineers, architects, and construction cost specialists. Moreover, the handling of the September 11<sup>th</sup> claims by those professionals was subject to internal review and audit by management. In accordance with established practices, Movants' management personnel received and regularly reviewed reports prepared by other company officials responsible for the adjustment of the individual September

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<sup>10</sup> Because of the national and international impact of the September 11th Attack, not all insured losses occurred at the World Trade Center site in Lower Manhattan, such that steps such as this were indeed feasible and necessary for certain losses.

11<sup>th</sup> claims, including the particulars of the adjustment and payments for claims submitted by policyholders and insureds.<sup>11</sup>

As attested in the Movants' affidavits, the management and supervisory personnel who reviewed and audited the adjustments of the September 11<sup>th</sup> claims generally have expertise in a wide range of areas, including expertise in the calculation and determination of loss of business income, property values, and construction costs and expenses. As a general rule, management and supervisory personnel are all highly trained in their particular areas of specialty, and each individual brings to the claims evaluation process many years of experience. Finally, the adjustment process is also subject to industry standards of compliance and the fair claims handling statutes and laws of the applicable jurisdiction.

While the September 11<sup>th</sup> Attack caused death, injury and physical destruction on a scale never before experienced in this country, the processes employed by Movants' in adjusting the insurance claims arising from that event were well suited to meet the unique challenges and circumstances of that tragedy. The processes and procedures followed in the adjustment of the September 11<sup>th</sup> claims were developed over many decades, through Movants' experiences in responding to numerous catastrophic losses such as floods, hurricanes, wildfires, and earthquakes. Those processes and procedures have been further honed and refined through several decades of the adjustment of claims in the more routine context.

As a result, Movants' were well prepared to respond to the devastation caused by the September 11<sup>th</sup> Attack. As the RAND Corporation observed in a 2004 monograph entitled Compensation for Losses from the 9/11 Attacks, "Insurers were able to mobilize hundreds of adjusters to evaluate and process claims after 9/11. Many of those we interviewed praised the

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<sup>11</sup> Management regularly rely upon financial data and records related to the adjustment of claims and payment for these claims, including executive summaries of claims in process, identification of issues which arise in the adjustment of claims which require resolution, and other data which allows the adjuster to determine the accuracy of the claims adjustment process.

insurance industry's quick response to the claims ... Without the huge insurance payments, the economic disruption caused by the Attack on the WTC would have been much greater. Greater demands for assistance would have been placed on government and charities, and a greater portion of the losses likely would have been borne by businesses and their workers.”<sup>12</sup>

As the above summary of the evidence presented in the affidavits of Movants' officers and representatives demonstrates, Movants followed established industry standards and processes in the adjustment of the September 11<sup>th</sup> claims, and analyzed claims under established and recognized standards of proof. For these reasons, the processes implemented and followed by Movants resulted in total claim payments upon which this Court can rely in fairly and properly assessing damages against the defaulted defendants under the ATA.

### 3. The Categories of Monetary Losses

The monetary expenses and losses for which Movants here seek an assessment of damages against the defaulted defendants under the ATA fall into three broad categories: claim indemnity payments, claim adjustment expenses, and claim legal expenses. A review of each category is in order.

#### a) Claim Indemnity Payments

The total of the claim indemnity payments by the Movants reflect the scope and tragedy of the September 11<sup>th</sup> Attack, since “behind these numbers” of almost incomprehensible dimension are the persons, businesses and companies that suffered the significant and devastating losses. The claims which make up the total of the claim indemnity payments were subject to the adjustment processes and procedures described within the affidavits. The schedules of the total claim payments included as exhibits to the affidavits lists each separate

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<sup>12</sup> Lloyd Dixon and Rachel Kaganoff Stern, Compensation for Losses from the 9/11 Attacks at 22 (RAND Institute for Civil Justice 2004), available online at [http://www.rand.org/pubs/monographs/2004/RAND\\_MG264.pdf](http://www.rand.org/pubs/monographs/2004/RAND_MG264.pdf).

insured, claim number, loss location, individual claim paid, and (where applicable) the claim adjustment and legal expenses incurred by the Movants. A review of some of the individual claims listed on these schedules reveals the entire gamut of the scope of the losses sustained by the Movants' insureds in this matter.<sup>13</sup>

The individual claims predominately arose in and around lower Manhattan at the former site of the World Trade Center towers. The claims include payments for the loss of personal property items, the loss of business personal property, the loss of income, and other business interruption losses as a result of the September 11<sup>th</sup> Attack. The claims paid by Movants range from losses in the hundreds of dollars suffered by insured individuals to losses in the multi-millions of dollars suffered by some of the largest and best known companies in the United States.

The affidavits establish that the claims of insured individuals or companies were considered pursuant to the adjustment processes as further described within these affidavits. The result is the total of the claim payments as of this date and noted within the claim schedules included as exhibits to the filed affidavits.

b) Claim Adjustment And Claim Legal Expenses

The response of the insurance industry to the catastrophic event of the September 11<sup>th</sup> Attack involved an unprecedented marshaling of resources in order to quickly, fully, and fairly respond to the claims submitted by Plaintiffs' policyholders for their damages and losses. The expenses incurred because of the commitment of these resources included the fees charged by outside consultants who were retained in order to accurately assess the scope of the damages,

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<sup>13</sup> Pursuant to this Court's Order dated May 9, 2005, the schedules themselves are being filed under seal to protect the identity of the insureds from public disclosure. A copy of the Order is attached to the Carter Affirmation as Exhibit H.



and assist with the prompt conclusion of the adjustment of the claims.<sup>14</sup> As noted within the affidavits filed herewith, these expenses represent the fees charged by accountants and engineers who were utilized to ensure the accuracy of the claims submitted and losses sustained. Additionally, Movants retained construction consultants and other professionals with expertise in the areas necessary to evaluate the claimed casualty losses. Movants also paid the expenses incurred by adjustment professionals in responding to the extraordinary demands of the claims submitted following the September 11<sup>th</sup> Attack.

The Plaintiffs are entitled to recover these actual monetary expenditures as losses pursuant to the ATA, since these expenditures also represent injuries to Movants' business and property compensable under the provisions of that statute. For this same reason, the losses represented by the expenses incurred to retain legal counsel to advise and assist in the proper and fair adjustment of the claims submitted under Movants' policies of insurance are likewise compensable under the ATA statutory scheme.

#### **IV. CONCLUSION**

Based on the affidavits, Movants are entitled to the assessment of damages against these defendants, jointly and severally, as follows:

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<sup>14</sup> In an effort to simplify the issues presently before the Court and promote judicial efficiency in the resolution of the claims against the defaulted defendants, Movants are limiting the damages sought for their business and property damage claims against the defaulted defendants to the money paid to their insureds for business and property losses, and expenses directly associated with the adjustment of those business and property damage claims. However, those expenditures do not represent all of Movants' monetary losses as a result of the September 11<sup>th</sup> Attack. For instance, Movants incurred significant internal expenses in evaluating their obligations under the applicable policies of insurance. Movants reserve their right to seek recovery of such additional monetary losses in relation to the claims asserted against the defendants who are not subject to this Motion.





**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case
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This document relates to:

*Federal Insurance Co., et al. v. Al Qaida, et al.*, No. 03-CV-6978

**ORDER**

And now, on this \_\_\_\_ day of \_\_\_\_\_, 2007, upon Pursuant to the Motion of Plaintiffs AXA, Chubb, Munich Re America, OneBeacon Insurance Group, and TIG Insurance Company to Assess Damages Against Defaulted Defendants for Business and Property Claims under the Anti-Terrorism Act, accompanying memorandum of law and exhibits, it is hereby ORDERED that damages are assessed in the amount of \$9,481,764,208.61 against the attached list of defaulted defendants, jointly and severally, based upon Movants' claims to-date under the Anti-Terrorism Act, 18 U.S.C. § 2333(a).

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J.

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case
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This document relates to:

*Federal Insurance Co., et al. v. Al Qaida, et al.*, No. 03-CV-6978

**AFFIRMATION OF SEAN P. CARTER IN SUPPORT OF THE MOTION OF  
PLAINTIFFS AXA, CHUBB & SON, MUNICH RE AMERICA, ONEBEACON  
INSURANCE GROUP AND TIG INSURANCE COMPANY TO ASSESS DAMAGES  
AGAINST DEFAULTED DEFENDANTS FOR BUSINESS AND PROPERTY CLAIMS  
UNDER THE ANTI-TERRORISM ACT**

Sean P. Carter, Esq., affirms as follows:

1. I am an attorney admitted to practice *pro hac vice* in the above-captioned matter, and a member of the law firm Cozen O'Connor. I submit this Affirmation to transmit to the Court the following documents in support of the Memorandum of Law of Plaintiffs AXA, Chubb, Munich Re America, OneBeacon Insurance Group and TIG in Support of Their Motion to Assess Damages Against Defaulted Defendants For Business And Property Claims Under the Anti-Terrorism Act.
2. Exhibit A to this Affirmation is a true and correct copy of a chart outlining the means by which each of the defaulted defendants was properly served in this action.
3. Exhibit B to this Affirmation is a true and correct copy of a list of the defendants in default against whom Movants seek to assess damages via this motion.

4. Exhibit C to this Affirmation is a true and accurate copy of the Affidavit of Steven Judovin in support of AXA's Proof of Damages.

5. Exhibit D to this Affirmation is a true and accurate copy of the Affidavit of Donald L. Siegrist, Jr. in Support of Proof of Damages for Chubb & Son, a Division of Federal Insurance Company, on Behalf of Itself and as Manager of Its Insurance Subsidiaries

6. Exhibit E to this Affirmation is a true and correct copy of the Affidavit of Thomas J. Toth in Support of the Proof of Damages of American Alternative Insurance Company, The Princeton Excess and Surplus Lines Insurance Company and Great Lakes Reinsurance (UK) Limited. (Munich Reinsurance Group)

7. Exhibit F to this Affirmation is a true and accurate copy of the Affidavit of John F. Murphy in support of OneBeacon Insurance Group's Proof of Damages.

8. Exhibit G to this Affirmation is a true and accurate copy of the Affidavit of Robert Knowles in support of TIG Insurance Company's Proof of Damages.

9. Exhibit H to this Affirmation is a true and correct copy of this Court's order dated May 9, 2005, granting the Federal Insurance letter application seeking this Court's permission to file under seal schedules identifying the insureds in connection with default filings. Pursuant to this order, the schedules attached to Exhibits C through G are being filed under seal in order to protect the identity of the insureds from public disclosure.

Affirmed in Philadelphia, Pennsylvania on February 12, 2007.

\_\_\_\_\_  
/s/  
Sean P. Carter

**Exhibit A****Service of Process on Defendants Currently in Default**

<b>DEFENDANT</b>	<b>TYPE</b>	<b>DATE OF SERVICE</b>	<b>ANSWER DUE</b>	<b>PROOF FILED</b>
Aaran Money Wire Service Inc.	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abbas Abdi Ali	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abd Al-Mushin Al-Libi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abd Al-Rahim Al-Nashiri	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdel Hussein	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdelghani Mzoudi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdelhalim Remadna	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdelkarim Hussein Mohamed Al-Nasser	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdi Adulaziz Ali	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdirasik Aden	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdul Fattah Zammar	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdul Rahman Yasin	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdullah Ahmed Abdullah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdullah 'Qassim	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdullahi Hussein Kahie	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abdulrahman Hassan Sharbatly	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu al-Hadi al-Iraqi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Al-Maid	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Hafs the Mauritanian	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Hajer Al Iraqi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Hamza Al-Masri	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Ibrahim Al-Masri	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Musab Al-Zarqawi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Qatada Al-Filistini	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Rida Al Suri	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Sayef Group	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Abu Zubaydah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Adel Ben Soltane	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Adel Muhammad Sadiq Bin Kazem	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005

**Exhibit A****Service of Process on Defendants Currently in Default**

DEFENDANT	TYPE	DATE OF SERVICE	ANSWER DUE	PROOF FILED
Advice and Reformation Committee	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Afghan Support Committee	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Agus Budiman	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ahmad Ajaj	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ahmad Ibrahim Al- Mughassil	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ahmad Sa'Id Al-Kadr	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ahmed Hasni Rarrbo	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ahmed Idris Nasreddin	Registered Mail	05/27/2004	07/26/2004	09/23/2005
Ahmed Khalfan Ghailani	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ahmed Mohammed Hamed Ali	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Akida Bank Private Limited	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Akida Investment Co	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al Baraka Exchange LLC	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al Barakaat Bank	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al Farooq Mosque	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al Gama'a al-Islamiyya	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
al Qaida	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al Shamal For Investment and Development	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al Taqwa Trade, Property and Industry Company Limited	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al Taqwa/Nada Group	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al Tawhid	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Barakaat	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Barakat Bank of Somalia (BSS)	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Barakat Finance Group	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Barakat Financial Holding Co.	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Barakat Global Telecommunications	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Barakat Group of Companies Somalia Limited	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005

**Exhibit A****Service of Process on Defendants Currently in Default**

DEFENDANT	TYPE	DATE OF SERVICE	ANSWER DUE	PROOF FILED
Al-Barakat International	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Barakat Investments	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Barakat Wiring Service	Sec. State Minnesota	05/26/2004	06/16/2004	04/05/2005
Al-Bir Saudi Organization	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Birr	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Hamati Sweets Bakeries	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Hijrah Construction and Development Limited	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Itihaad al-Islamiya (AIAI)	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Nur Honey Press Shops	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Rashid Trust	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Shaykh Al-Iraqi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Al-Shifa' Honey Press for Industry and Commerce	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Albert Fredrich Armand Huber	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Algerian Armed Islamic Group	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ali Atwa	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ali Ghaleb Himmat	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ali Saed Bin Ali El-Hoorie	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
American Muslim Foundation	US Marshal Service c/o Abdulrahman Alamoudi	06/02/2004	07/30/2004	09/23/2005
Amin Al-Haq	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Anas Al-Liby	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ansar al-Islam (AI)	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Arafat El-Ashi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Asbat al-Ansar	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ayadi Chafiq Bin Muhammad	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ayman al-Zawahiri	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Azzam Service Center	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
BA Taqwa for Commerce and Real Estate Company Ltd.	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Bank of al Taqwa Limited	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005



**Exhibit A****Service of Process on Defendants Currently in Default**

DEFENDANT	TYPE	DATE OF SERVICE	ANSWER DUE	PROOF FILED
Baraka Trading Company	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakaat Boston	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakaat Construction Company	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakaat Enterprise	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakaat Group of Companies	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakaat International	Registered Mail	5/27/2004	07/26/2004	09/23/2005
Barakaat International Foundation	Registered Mail	5/27/2004	07/26/2004	09/23/2005
Barakaat International, Inc.	Sec. State Minnesota	05/26/2004	06/16/2004	04/05/2005
Barakaat North America, Inc.	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakaat Red Sea Telecommunications	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakaat Telecommunications Co. Somalia	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakat Bank and Remittances	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakat Computer Consulting (BCC)	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakat Consulting Group (BCG)	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakat Global Telephone Company	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakat International Companies (BICO)	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakat Post Express (BPE)	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakat Refreshment Company	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakat Telecommunications Company Limited (BTELCO)	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barakat Wire Transfer Company	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Barako Trading Company, LLC	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Bassam Dalati Satut	Publication	01/13/2005	03/14/2005	03/04/2005; 03/16/2005
Benevolence International Fund	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Benevolence International Foundation	Adams County Sheriff's Office c/o Enaam Arnaout	04/01/2004	04/21/2004	05/10/2004
Bensayah Belkacem	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005



**Exhibit A****Service of Process on Defendants Currently in Default**

DEFENDANT	TYPE	DATE OF SERVICE	ANSWER DUE	PROOF FILED
Bilal Bin Marwan	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Blessed Relief Foundation	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Bosanska Idealna Futura	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Bosnia-Herzegovina branch of Al-Haramain Islamic Foundation	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Brahim Ben Hedili Hamami	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Chiheb Ben Mohamed Ayari	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Dahir Ubeidullahi Aweys	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Dr. Mahmoud Dakhil	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Dr. Mohaman Ali Elgari	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Egyptian Islamic Jihad	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Enaam M Arnanout	Adams County Sheriff's Office	04/01/2004	04/21/2004	01/10/2004
Essam Al Ridi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Fahad Al-Thumairy	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Fahid Mohammed Ally Msalam	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Fazeh Ahed	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Fazul Abdullah Mohammed	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Fethi Ben Rebai Masri	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Fouzi Jendoubi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ghasoub Al Abrash	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ghasoub Al Abrash Ghalyoun	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Global Diamond Resource	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Global Relief Foundation	Sec. State Illinois	05/28/2004	06/17/2004	04/05/2005
Global Services International	Sec. State Minnesota	05/26/2004	06/16/2004	04/05/2005
Gulbuddin Hekmatyar	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Gulf Center S.R.L.	Registered Mail	05/27/2004	07/26/2004	09/23/2005
Gum Arabic Company Limited	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Habib Waddani	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Haji Abdul Manan Agha	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Haji Mohamad Akram	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Hamas	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005

**Exhibit A****Service of Process on Defendants Currently in Default**

DEFENDANT	TYPE	DATE OF SERVICE	ANSWER DUE	PROOF FILED
Hasan Izz-Al-Din	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Hashim Abdulrahman	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Hassan A.A Bahfzallah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Hassan Dahir Aweys	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Hassan Turabi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Hazem Ragab	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Help African People	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Heyatul Ulya	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Hezb-e-Islami	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Hisham Arnanout	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Human Concern International Society	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Hussein Mahmud Abdulkadir	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ibn al-Shaykh al-Libi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ibrahim Hassabella	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ibrahim Muhammed Afandi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ibrahim S Abdullah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ibrahim Salih Mohammed Al-Yacoub	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ihab Ali	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Imad Eddin Barakat Yarkas	Publication	1/13/2005	03/14/2005	03/04/2005; 03/16/2005
Imad Mughniyeh	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Islamic African Relief Agency	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Islamic Army of Aden	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Islamic Cultural Institute of Milan	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Islamic International Brigade	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Islamic Movement of Uzbekistan	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Jaish-I-Mohammed	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Jamal Ahmed Mohammed	Publication	1/13/2005	03/14/2005	03/04/2005; 03/16/2005
Jamal Al-Badawi	Publication	1/13/2005	03/14/2005	03/04/2005; 03/16/2005
Jamal Nyrabeh	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005

**Exhibit A****Service of Process on Defendants Currently in Default**

<b>DEFENDANT</b>	<b>TYPE</b>	<b>DATE OF SERVICE</b>	<b>ANSWER DUE</b>	<b>PROOF FILED</b>
Jamil Qasim Saeed	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Jam'Yah Ta'Awun Al-Islamia	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Jemaah Islamiya Organization	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Khaled Nouri	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Khalid Shaikh Mohammed	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Khalil Jarraya	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Lashkar I Janghvi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Lashkar-e Tayyiba	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Lazhar Ben Mohammed Tlili	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Lebanese Hezbollah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Liban Hussein	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Lionel Dumont	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mahdi Chamran Savehi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mahmoud Jaballah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Makhtab Al-Khidamat	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mamoun Darkazanli	Registered Mail	5/27/2004	07/26/2004	09/23/2005
Mamoun Darkazanli Import-Export Company	Registered Mail	05/27/2004	07/26/2004	09/23/2005
Mansour Thaer	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mansouri Al-Kadi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Masjed Al Madinah Al Munawarah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mazin M.H. Bareth	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mendi Kammoun	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mercy International Relief Agency	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Miga - Malaysian Swiss, Gulf and African Chamber	Registered Mail	05/27/2004	07/26/2004	09/23/2005
Mohamed Bayazid	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammad S. Mohammad	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Al Massari	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Al-Issai	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005

**Exhibit A****Service of Process on Defendants Currently in Default**

<b>DEFENDANT</b>	<b>TYPE</b>	<b>DATE OF SERVICE</b>	<b>ANSWER DUE</b>	<b>PROOF FILED</b>
Mohammed Amine Akli	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Bahareth	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Chehade	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Iqbal Abdurrahman	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Khair Al Saqqa	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Khatib	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Mansour	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Omar Al-Harazi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Omeish	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohammed Sarkawi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mohrez Amdouni	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mondher Baazaoui	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Moro Islamic Liberation Front	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mounir Ben Habib Jerraya	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mounir El Motassadeq	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Moussa Ben Amor Essaadi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mufti Rashid Ahmad Ladehyanoy	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Muhammad Abu-Islam	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Muhammad Al-Hamati	Publication	1/13/2005	03/14/2005	03/04/2005; 03/16/2005
Muhammad Atif	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Muhammad Omar	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Muhammad Salah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Muhammed Galeb Kalaje Zuoyadi	Publication	01/13/2005	03/14/2005	03/04/2005; 03/16/2005
Muhammed J. Fakihi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Muhsin Musa Matwalli Atwah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mullah Kakshar	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mustaf Ahmed Al-Hisawi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mustafa Al-Kadir	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Mustafa Mohamed Fadhil	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005

**Exhibit A****Service of Process on Defendants Currently in Default**

<b>DEFENDANT</b>	<b>TYPE</b>	<b>DATE OF SERVICE</b>	<b>ANSWER DUE</b>	<b>PROOF FILED</b>
Mustasim Abdel-Rahim	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Muzaffar Kahn	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nabil Benattia	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nada International Anstalt	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nada Management Organization	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nada Management Organization, SA	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Najib Ouaz	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nasco Business Residence Center SAS Di Nasreddin Ahmed Idris EC	Registered Mail	5/27/2004	07/26/2004	09/23/2005
Nasco Nasreddin Holding A.S.	Registered Mail	5/27/2004	07/26/2004	09/23/2005
Nascoservice S.R.L.	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nascotex S.A.	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nasreddin Company Nasco SAS Di Ahmed Idris Nassneddin EC	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nasreddin Foundation	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nasreddin Group International Holding Ltd.	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nasreddin International Group Limited Holding	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
National Development Bank	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
National Islamic Front	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nedal Saleh	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
New Diamond Holdings	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Nurjaman Riduan Ismuddin	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Omar Abu Omar	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Omar Al Bayoumi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Osama Bassnan	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Palestine Islamic Jihad	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Parka Trading Company	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Piedmont Poultry	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005

**Exhibit A****Service of Process on Defendants Currently in Default**

<b>DEFENDANT</b>	<b>TYPE</b>	<b>DATE OF SERVICE</b>	<b>ANSWER DUE</b>	<b>PROOF FILED</b>
Queen City Cigarettes and Candy	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Rabih Haddah	Publication	01/13/2005	03/14/2005	03/04/2005; 03/16/2005
Rachid Fehar	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ramzi Binalshibh	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Red Sea Barakat Company Limited	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Riyadus-Salikhin Recognizance and Sabotage Battalion of Chechen Martyrs	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
S.M. Tufail	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
SAAR Foundation	Process Server	03/31/2005	04/20/2005	09/23/2005
Sabir Lamar	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Said Bahaji	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Saif Al Islam El Masry	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Salafist Group for Call and Combat	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Samir Kishk	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Saqar Al-Sadawi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Saudi Sudanese Bank	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Sayf al-Adl	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Sa'D Al-Sharif	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Sheikh Abu Bdul Aziz Nagi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Sheikh Ahmed Salim Swedan	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Sheikh Omar Bakri Muhammad	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Somalia Branch of the Al-Haramain Islamic Foundation	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Somalia International Relief Organization	Sec. State Minnesota	05/26/2004	06/16/2004	04/5/2005
Somalia Internet Company	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Somalia Network AB	Registered Mail	05/27/2004	07/26/2004	09/23/2005
Special Purpose Islamic Regiment	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Syed Suleman Ahmer	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005



**Exhibit A****Service of Process on Defendants Currently in Default**

DEFENDANT	TYPE	DATE OF SERVICE	ANSWER DUE	PROOF FILED
Taba Investments	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Taibah International Aid Association	Sec. State Virginia	06/02/2004	06/22/2004	08/19/2004
Tareq M Al-Swaidan: Abdul Al-Moslah	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Tariq Anwar al-Sayyid Ahmad	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
The Aid organization of the Ulema	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
The Taliban	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Thirwat Salah Shihata	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Turkistan Islamic Movement	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Ulema Union of Afghanistan	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Umar Faruq	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Umma Tameer-E-Nau (UTN)	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Usama bin Laden	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Wadi Al Aqiq	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Wafa Humanitarian Organization	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Walid Al-Sourouri	Publication	01/13/2005	03/14/2005	03/04/2005; 03/16/2005
Yassine Chekkouri	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Yassir Al-Sirri a/k/a Ammar	Publication	01/13/2005	03/14/2005	03/04/2005; 03/16/2005
Youssef Abdaoui	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Youssef M Nada & Co. Gesellschaft MBH	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Youssef Nada	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Yusaf Ahmed Ali	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Zahir H. Kazmi	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Zakariya Essabar	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005
Zeinab Mansour-Fattah	Registered Mail	05/27/2004	07/26/2004	09/23/2005
Ziyad Khaleel	Publication	1/13/2005	3/14/2005	03/04/2005; 03/16/2005

**Exhibit B**

**Defendants Currently in Default**

Aaran Money Wire Service Inc.

Abbas Abdi Ali

Abd Al-Mushin Al-Libi

Abd Al-Rahim Al-Nashiri

Abdel Hussein

Abdelghani Mzoudi

Abdelhalim Remadna

Abdelkarim Hussein Mohamed Al-Nasser

Abdi Adulaziz Ali

Abdirasik Aden

Abdul Fattah Zammar

Abdul Rahman Yasin

Abdullah Ahmed Abdullah

Abdullah 'Qassim

Abdullahi Hussein Kahie

Abdulrahman Hassan Sharbatly

Abu al-Hadi al-Iraqi

Abu Al-Maid

Abu Hafs the Mauritanian

Abu Hajer Al Iraqi

Abu Hamza Al-Masri

Abu Ibrahim Al-Masri

Abu Musab Al-Zarqawi

Abu Qatada Al-Filistini

Abu Rida Al Suri

Abu Sayef Group

Abu Zubaydah

Adel Ben Soltane

Adel Muhammad Sadiq Bin Kazem

Advice and Reformation Committee



**Exhibit B**

**Defendants Currently in Default**

Afghan Support Committee

Agus Budiman

Ahmad Ajaj

Ahmad Ibrahim Al- Mughassil

Ahmad Sa'Id Al-Kadr

Ahmed Hasni Rarrbo

Ahmed Idris Nasreddin

Ahmed Khalfan Ghailani

Ahmed Mohammed Hamed Ali

Akida Bank Private Limited

Akida Investment Co

Al Baraka Exchange LLC

Al Barakaat Bank

Al Farooq Mosque

Al Gama'a al-Islamiyya

al Qaida

Al Shamal For Investment and Development

Al Taqwa Trade, Property and Industry Company Limited

Al Taqwa/Nada Group

Al Tawhid

Al-Barakaat

Al-Barakat Bank of Somalia (BSS)

Al-Barakat Finance Group

Al-Barakat Financial Holding Co.

Al-Barakat Global Telecommunications

Al-Barakat Group of Companies Somalia Limited

Al-Barakat International

Al-Barakat Investments

Al-Barakat Wiring Service

Al-Bir Saudi Organization

**Exhibit B**

**Defendants Currently in Default**

Al-Birr

Al-Hamati Sweets Bakeries

Al-Hijrah Construction and Development Limited

Al-Itihaad al-Islamiya (AIAI)

Al-Nur Honey Press Shops

Al-Rashid Trust

Al-Shaykh Al-Iraqi

Al-Shifa' Honey Press for Industry and Commerce

Albert Fredrich Armand Huber

Algerian Armed Islamic Group

Ali Atwa

Ali Ghaleb Himmat

Ali Saed Bin Ali El-Hoorie

American Muslim Foundation

Amin Al-Haq

Anas Al-Liby

Ansar al-Islam (AI)

Arafat El-Ashi

Asbat al-Ansar

Ayadi Chafiq Bin Muhammad

Ayman al-Zawahiri

Azzam Service Center

BA Taqwa for Commerce and Real Estate Company Ltd.

Bank of al Taqwa Limited

Baraka Trading Company

Barakaat Boston

Barakaat Construction Company

Barakaat Enterprise

Barakaat Group of Companies

Barakaat International

**Exhibit B****Defendants Currently in Default**

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Barakaat International Foundation

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Barakaat International, Inc.

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Barakaat North America, Inc.

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Barakaat Red Sea Telecommunications

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Barakaat Telecommunications Co. Somalia

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Barakat Bank and Remittances

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Barakat Computer Consulting (BCC)

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Barakat Consulting Group (BCG)

---

---

Barakat Global Telephone Company

---

---

Barakat International Companies (BICO)

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---

Barakat Post Express (BPE)

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Barakat Refreshment Company

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Barakat Telecommunications Company Limited (BTELCO)

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Barakat Wire Transfer Company

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Barako Trading Company, LLC

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Bassam Dalati Satut

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Benevolence International Fund

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Benevolence International Foundation

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Bensayah Belkacem

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Bilal Bin Marwan

---

---

Blessed Relief Foundation

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Bosanska Idealna Futura

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---

Bosnia-Herzegovina branch of Al-Haramain Islamic Foundation

---

---

Brahim Ben Hedili Hamami

---

---

Chiheb Ben Mohamed Ayari

---

---

Dahir Ubeidullahi Aweys

---

---

Dr. Mahmoud Dakhil

---

---

Dr. Mohaman Ali Elgari

---

---

Egyptian Islamic Jihad

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---

Enaam M Arnanout

---

**Exhibit B**

**Defendants Currently in Default**

Essam Al Ridi

Fahad Al-Thumairy

Fahid Mohammed Ally Msalam

Fazeh Ahed

Fazul Abdullah Mohammed

Fethi Ben Rebai Masri

Fouzi Jendoubi

Ghasoub Al Abrash

Ghasoub Al Abrash Ghalyoun

Global Diamond Resource

Global Relief Foundation

Global Services International

Gulbuddin Hekmatyar

Gulf Center S.R.L.

Gum Arabic Company Limited

Habib Waddani

Haji Abdul Manan Agha

Haji Mohamad Akram

Hamas

Hasan Izz-Al-Din

Hashim Abdulrahman

Hassan A.A Bahfzallah

Hassan Dahir Aweys

Hassan Turabi

Hazem Ragab

Help African People

Heyatul Ulya

Hezb-e-Islami

Hisham Arnanout

Human Concern International Society

**Exhibit B****Defendants Currently in Default**

---

Hussein Mahmud Abdulkadir

---

Ibn al-Shaykh al-Libi

---

Ibrahim Hassabella

---

Ibrahim Muhammed Afandi

---

Ibrahim S Abdullah

---

Ibrahim Salih Mohammed Al-Yacoub

---

Ihab Ali

---

Imad Eddin Barakat Yarkas

---

Imad Mughniyeh

---

Islamic African Relief Agency

---

Islamic Army of Aden

---

Islamic Cultural Institute of Milan

---

Islamic International Brigade

---

Islamic Movement of Uzbekistan

---

Jaish-I-Mohammed

---

Jamal Ahmed Mohammed

---

Jamal Al-Badawi

---

Jamal Nyrabeh

---

Jamil Qasim Saeed

---

Jam'Yah Ta'Awun Al-Islamia

---

Jemaah Islamiya Organization

---

Khaled Nouri

---

Khalid Shaikh Mohammed

---

Khalil Jarraya

---

Lashkar I Janghvi

---

Lashkar-e Tayyiba

---

Lazhar Ben Mohammed Tlili

---

Lebanese Hezbollah

---

Liban Hussein

---

Lionel Dumont

---

**Exhibit B**

**Defendants Currently in Default**

Mahdi Chamran Savehi

Mahmoud Jaballah

Makhtab Al-Khidamat

Mamoun Darkazanli

Mamoun Darkazanli Import-Export Company

Mansour Thaer

Mansouri Al-Kadi

Masjed Al Madinah Al Munawarah

Mazin M.H. Bareth

Mendi Kammoun

Mercy International Relief Agency

Miga - Malaysian Swiss, Gulf and African Chamber

Mohamed Bayazid

Mohammad S. Mohammad

Mohammed Al Massari

Mohammed Al-Issai

Mohammed Amine Akli

Mohammed Bahareth

Mohammed Chehade

Mohammed Iqbal Abdurrahman

Mohammed Khair Al Saqqa

Mohammed Khatib

Mohammed Mansour

Mohammed Omar Al-Harazi

Mohammed Omeish

Mohammed Sarkawi

Mohrez Amdouni

Mondher Baazaoui

Moro Islamic Liberation Front

Mounir Ben Habib Jerraya

**Exhibit B****Defendants Currently in Default**

Mounir El Motassadeq
Moussa Ben Amor Essaadi
Mufti Rashid Ahmad Ladehyanoy
Muhammad Abu-Islam
Muhammad Al-Hamati
Muhammad Atif
Muhammad Omar
Muhammad Salah
Muhammed Galeb Kalaje Zuoyadi
Muhammed J. Fakihi
Muhsin Musa Matwalli Atwah
Mullah Kakshar
Mustaf Ahmed Al-Hisawi
Mustafa Al-Kadir
Mustafa Mohamed Fadhil
Mustasim Abdel-Rahim
Muzaffar Kahn
Nabil Benattia
Nada International Anstalt
Nada Management Organization
Nada Management Organization, SA
Najib Ouaz
Nasco Business Residence Center SAS Di Nasreddin Ahmed Idris EC
Nasco Nasreddin Holding A.S.
Nascoservice S.R.L.
Nascotex S.A.
Nasreddin Company Nasco SAS Di Ahmed Idris Nassneddin EC
Nasreddin Foundation
Nasreddin Group International Holding Ltd.
Nasreddin International Group Limited Holding

**Exhibit B**

**Defendants Currently in Default**

National Development Bank

National Islamic Front

Nedal Saleh

New Diamond Holdings

Nurjaman Riduan Ismuddin

Omar Abu Omar

Omar Al Bayoumi

Osama Bassnan

Palestine Islamic Jihad

Parka Trading Company

Piedmont Poultry

Queen City Cigarettes and Candy

Rabih Haddah

Rachid Fehar

Ramzi Binalshibh

Red Sea Barakat Company Limited

Riyadus-Salikhin Recognizance and Sabotage Battalion of Chechen Martyrs

S.M. Tufail

SAAR Foundation

Sabir Lamar

Said Bahaji

Saif Al Islam El Masry

Salafist Group for Call and Combat

Samir Kishk

Saqar Al-Sadawi

Saudi Sudanese Bank

Sayf al-Adl

Sa'D Al-Sharif

Sheikh Abu Bdul Aziz Nagi

Sheikh Ahmed Salim Swedan



**Exhibit B****Defendants Currently in Default**

Sheikh Omar Bakri Muhammad
Somalia Branch of the Al-Haramain Islamic Foundation
Somalia International Relief Organization
Somalia Internet Company
Somalia Network AB
Special Purpose Islamic Regiment
Syed Suleman Ahmer
Taba Investments
Taibah International Aid Association
Tareq M Al-Swaidan: Abdul Al-Moslah
Tariq Anwar al-Sayyid Ahmad
The Aid organization of the Ulema
The Taliban
Thirwat Salah Shihata
Turkistan Islamic Movement
Ulema Union of Afghanistan
Umar Faruq
Umma Tameer-E-Nau (UTN)
Usama bin Laden
Wadi Al Aqiq
Wafa Humanitarian Organization
Walid Al-Sourouri
Yassine Chekkouri
Yassir Al-Sirri a/k/a Ammar
Youssef Abdaoui
Youssef M Nada & Co. Gesellschaft MBH
Youssef Nada
Yusaf Ahmed Ali
Zahir H. Kazmi
Zakariya Essabar

**Exhibit B**

**Defendants Currently in Default**

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Zeinab Mansour-Fattah

---

Ziyad Khaleel

---

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001

03 MDL 1570 (RCC)  
ECF Case

*This document relates to:*

*Federal Insurance Co. v. al Qaida*, Case No. 03-CV-6978 (RCC) (S.D.N.Y.)

**AFFIDAVIT OF STEVEN JUDOVIN IN SUPPORT OF AXA'S PROOF OF DAMAGES**

I, Steven Judovin, being duly sworn according to law, depose and say,

1. I am a Senior Vice President of AXA Liabilities Managers, a plaintiff in the above-action.
2. As an Officer of AXA Liabilities Managers, I have been authorized to execute this Affidavit on behalf of its subsidiaries AXA Insurance Company, AXA Reinsurance Company and AXA Global Risks UK Ltd., as well as the following other companies which are part of the AXA Group and which assert claims for damages in the above-action, including, AXA RE, AXA RE Canadian Branch, AXA RE UK Plc, AXA Corporate Solutions Assurance UK Branch, SPS RE, AXA Art Insurance Corp., and AXA Versicherung (hereinafter referred to as "the AXA Companies"). The AXA Companies provide insurance and reinsurance services.

3. AXA is both an insurer and a reinsurer. Reinsurance is the practice whereby in consideration of the premium paid, AXA, as the reinsurer, agrees to indemnify another insurance company, called the reinsured or cedant, for all or part of the liability assumed by the reinsured or cedant under the policies of insurance which it has issued.
4. As an Officer of AXA Liabilities Managers, I have personal knowledge of the day-to-day affairs of the business of the AXA Insurance Company and AXA Reinsurance Company, including personal knowledge of the process related to the submission of claims, and the adjustment of claims under the policies of insurance and reinsurance issued by AXA Companies.
5. The adjustment process includes compliance with standards and procedures which must be followed in completing the adjustment of the claim and the subsequent payment of claims under the policies of insurance. The adjustment process is tailored to the provisions of the applicable policy of insurance or reinsurance, and may include follow-the-settlement and/or claims cooperation clauses. The most basic standards of compliance include the following:
  - Prompt notice of the loss or damage and a description of the property involved.
  - A description of how, when and where the loss or damage occurred.
  - Submission of complete inventories of the damaged and undamaged property,

including quantities, costs, values and amount of loss claimed.

- Inspection of the property proving the loss or damage.
- Cooperation in the investigation or settlement of the claim.
- Examination of an insured or reinsured's books and records.

6. The adjustment of claims submitted by policy holders and insureds or reinsureds are subject to specific and exacting requirements of proof, including, but not limited to, (a) compliance with, and measurement against, the terms and provisions of the policies of insurance or reinsurance (b) examination by qualified adjustment professionals, (c) rigorous scrutiny by highly qualified and experienced adjustment professionals, (d) analysis and review by outside professionals, such as certified public accounts, engineers, architects, and construction cost specialists, and (e) production of records and other documentation in support of submitted claims. The adjustment process as described herein is completed at both the primary insurance company level, and the reinsurance level in that the claims submitted by reinsureds and cedants have been subjected to the adjustment process, and payment is made in accordance with the insurance policy or reinsurance contract.
7. As an Officer of AXA Insurance Company, I also receive and regularly review reports prepared by other company officials responsible for the

adjustment process, including individual reports of particular claims and summary reports of claims submitted to us. These reports are prepared by both AXA claims analysts and independent adjusters. The reports contain information and details on the particulars of the adjustment and payments for claims submitted by insureds, reinsureds and cedants. Additionally, in further discharge of my job duties and responsibilities, I regularly rely upon financial data and records related to the adjustment of claims and payment for these claims. The information and data I receive includes executive summaries of claims in process, identification of issues which arise in the adjustment of claims which require resolution, and other data which allows me to determine the accuracy of the claims adjustment process. For these reasons, I am familiar with the adjustment process and disposition of claims submitted by our insureds, reinsureds and cedants.

8. The adjustment process is also subject to internal review and audit by other management and supervisory personnel, which further ensures accuracy in the final adjustment and payment of claims submitted by insureds, reinsureds and cedants. Our management and supervisory personnel have expertise in a wide range of areas, including expertise in the calculation and determination of loss of business income, and property values. Further, each of our management and supervisory personnel are trained or experienced in their particular areas of specialty, and each individual brings to the claims evaluation process many years of

experience. I have personal knowledge of their work and regularly rely upon it in my own evaluation and disposition of claims.

9. The adjustment of claims is further subject to numerous industry regulatory standards and requirements, including fair claims handling statutes and codes within various jurisdictions. We are bound by law to follow these standards and requirements in the adjustment and disposition of all claims.
10. In connection with preparation of this Affidavit, each AXA company has undertaken review of its' business records necessary to determine that insurance claims were submitted to the AXA Companies by its insureds, reinsureds and cedants for damages and injuries resulting from the September 11, 2001 Attack on the United States (the "September 11<sup>th</sup> Attack"), and that payments were made by the AXA Companies in compensation for losses suffered by our insureds, reinsureds and cedants for the claims submitted by them under the AXA Companies' policies of insurance and reinsurance.
11. At the time of the September 11<sup>th</sup> Attack, the AXA Companies provided property, business interruption and related insurance coverage to numerous corporations, companies, partnerships, affiliations, persons, trusts and other parties ("policy holders and insureds") who suffered injuries, losses and damages as a result of the September 11<sup>th</sup> Attack.
12. Based on my review of the AXA Companies' documents, as well as information I have also received in my capacity as an Officer of AXA

Liabilities Managers, I have personal knowledge of the insurance claims submitted to the AXA Companies by its insureds, reinsureds and cedants for the damages, losses, and injuries resulting from the September 11<sup>th</sup> Attack, and the adjustment and subsequent payments made by the AXA Companies in compensation for these submitted claims.

13. The records and information reviewed revealed that the AXA Companies were able to make a determination regarding the validity of claims filed with the AXA Companies, and this determination was made by the AXA Companies based upon all information, data, reports and evaluations provided to them. AXA Companies further determined that the losses claimed were covered under the AXA Companies insurance or reinsurance policies.
14. In accordance with the terms of the applicable policies of insurance or reinsurance contracts, the adjustment process as described herein, the needs of the insureds, reinsureds or cedants, the exigencies of the aftermath of the September 11<sup>th</sup> Attack, and sound considerations related to business operations, the AXA Companies have made as of the date of this affidavit total aggregate payments in the amount of \$539,784,217.34 in compensation for property, business interruption and related damages, and it would not have made these payments and suffered these losses, nor would its insureds and policy holders have suffered these losses, but for the September 11<sup>th</sup> Attack. Specifically, the AXA Companies which have



made payments included within the aggregate claim for damages herein are, as follows:

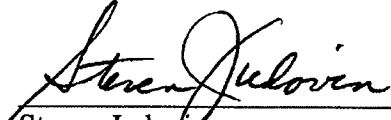
AXA Art Insurance Corp.	\$ 14,287,543.00
AXA Global Risks (UK) Ltd.	\$ 10,986,623.57
AXA CSA UK Branch	\$ 64,779,883.00
AXA Insurance Company	\$ 131,696,044.96
AXA Reinsurance Company	\$ 82,714,778.00
AXA RE	\$ 105,790,023.00
AXA RE Canadian Branch	\$ 26,138,407.11
AXA RE UK Plc	\$ 18,162,701.70
AXA Versicherung	\$ 923,053.00
SPS RE	\$ 84,305,160.00

The payments noted for each of the AXA Companies listed above include claim adjustment and claim legal expenses to the extent that those costs and expenses were incurred by reinsureds or cedants.

15. The loss of money represented by the amounts paid, and costs and expenses incurred, by the AXA Companies were a direct result of the September 11<sup>th</sup> Attack.
16. A schedule, with Columns A through D, identifying each insured, reinsured and cedant who submitted a covered claim which was adjusted, and for which payments in the total aggregate amount of \$539,784,217.34 was made by the AXA Companies as of

December 31, 2005 as a result of the September 11<sup>th</sup> Attack, is attached  
hereto as Exhibit "A".

Further affiant says naught.

  
Steven Judovin  
Senior Vice President  
AXA Liabilities Managers


State of New York )

)SS

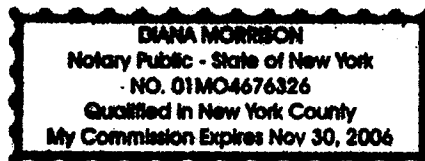
County of New York )

Sworn and Subscribed to before me

this 20<sup>th</sup> day of November, 2006

  
Diana Morrison - Notary Public

My commission expires 11/30/2006



Pursuant To This Court's Order Dated May 9, 2005, The Schedule Attached As Exhibit A Has Been Filed Under Seal In Order To Protect The Identity Of The Insureds From Public Disclosure.

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case
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*This document relates to:*

*Federal Insurance Co. v. al Qaida*, Case No. 03-CV-6978 (RCC) (S.D.N.Y.)

**AFFIDAVIT OF DONALD L. SIEGRIST, JR. IN SUPPORT OF PROOF OF DAMAGES  
FOR CHUBB & SON, A DIVISION OF FEDERAL INSURANCE COMPANY ON  
BEHALF OF ITSELF AND AS MANAGER OF ITS INSURANCE SUBSIDIARIES**

I, Donald L. Siegrist, Jr., being duly sworn according to law, depose and say,

1. I am a Vice President and an Officer of Chubb & Son, a division of Federal Insurance Company, and this Affidavit is submitted on behalf of Federal Insurance Company, individually, and as manager of its insurance subsidiaries which are known informally as the Chubb Group of Insurance Companies (hereinafter "Chubb"), and plaintiffs in the above action.
2. I make this Affidavit in support of Chubb's Proof of Damages.

3. As an Officer of Chubb, I have been authorized to execute this Affidavit on its behalf.
4. As an Officer of Chubb, I have knowledge of the day-to-day affairs of the business of the company, including knowledge of the process related to submission of claims and adjustment of claims under policies of insurance issued by Chubb. The Chubb companies identified hereinafter participate in the adjustment of claims as both primary and excess insurance companies for numerous policy holders and insureds. I have knowledge of both the direct adjustment of claims for those Chubb companies which are primary insurers, and knowledge of the adjustment process in those situations wherein Chubb is an excess insurer for a particular policy holder and insured. The adjustment process hereinafter described is consistent for those claims wherein a particular Chubb company is either a primary or excess insurance company for a policy holder or insured.
5. The adjustment process includes compliance with standards and procedures which must be followed in completing the adjustment of the claim and the subsequent payment of claims under the policies of insurance. The most basic standards of compliance include the following:

**Insured's Duties in The Event of Loss Or Damage**

You must see to it that the following are done in the event of loss or damage:

- Notify us, or one of our authorized representatives, as soon as possible, as to what occurred. Include a description of the property involved, that time and place of the loss or damage, and names and addresses of available witnesses. If there has been loss or damage that may result in a loss under any Business Income or Extra Expense Insurance, notify us by telephone, telegraph or facsimile at our expense.
- Notify the police if a law may have been broken.
- Take every reasonable step to protect the covered property from further damage, and keep a record of your expenses necessary to protect such covered property for consideration in the settlement of the claim. This will not increase any Limit Of Insurance. However, we will not pay for any subsequent loss or damage resulting from a peril that is not a covered peril. Also, if feasible, set such damaged property aside and in the best possible order for examination.
- If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
- File with us, or with our authorized representative, sworn proof of loss within 90 days after the date of loss or damage.
- Cooperate with us in the investigation, settlement or handling of any claim.
- Authorize us to obtain records or reports necessary for our investigation.
- At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss or damage claimed.
- As often as may be reasonably required, permit us to inspect the property and examine your books and records.
- Permit us to take samples of the damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- Permit us to examine any insured under oath, outside the presence of any other insured at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

This language (or substantially similar language) is found within most property policies of insurance issued by Chubb.

6. The adjustment of claims submitted by policy holders and insureds are subject to specific and exacting requirements of proof, including, but not limited to, (a) compliance with, and measurement against, the terms and provisions of the policies of insurance, (b) examination by qualified adjustment professionals, (c) analysis and review by outside professionals including, but not limited to, certified public accountants, engineers, architects, and construction cost specialists, and (d) production of records and other documentation in support of submitted claims.
7. I also receive and regularly review a variety of reports prepared by other company employees and representatives responsible for the adjustment process, including individuals reports of particular claims and summary reports of claims submitted to Chubb. These reports are prepared by both Chubb employees who adjust claims in the field and independent adjusters retained by the company to complete the same tasks. In those situations wherein a Chubb company is an excess insurer, these reports are prepared by the primary insurance company claims adjustment representative or employee, or are included within reports sent to Chubb by the primary insurance company. The reports generated for both Chubb primary and excess insurance companies contain information and details on the

particulars of the adjustment and payments for claims submitted by policy holders and insureds. Additionally, in further discharge of my job duties and responsibilities, I rely upon financial data and records related to the adjustment of claims and payment for these claims. The information and data I receive includes executive summaries of claims in process, identification of issues which arise in the adjustment of claims which require resolution, and other data which allows me to determine the accuracy of the claims adjustment process. For these reasons, I am familiar with the adjustment process and disposition of claims submitted by our policy holders and insureds.

8. The adjustment process is also subject to internal review and audit by other management and supervisory personnel, which further ensures accuracy in the final adjustment and payment of claims submitted by policy holders and insureds. Our management and supervisory personnel have experience in a wide range of areas, including experience in the calculation and determination of loss of business income, property values, and construction costs and expenses. Further, each of our management and supervisory personnel are trained or experienced in their particular areas of specialty, and each individual brings to the claims evaluation process many years of experience. I have knowledge of their work and regularly rely upon it in my own evaluation and disposition of claims.



9. The adjustment of claims is further subject to numerous industry regulatory standards and requirements, including fair claims handling statutes and codes within various jurisdictions. We are bound by law to follow these standards and requirements in the adjustment and disposition of all claims.
10. In connection with the preparation of this Affidavit, I have undertaken review of Chubb's records necessary to determine that insurance claims were submitted to Chubb by its policy holders and insureds for damages and injuries resulting from the September 11, 2001 Attack on the United States (the "September 11<sup>th</sup> Attack"), and that payments were made by Chubb in compensation for losses suffered by our policy holders and insureds for the claims submitted by them under Chubb's policies of insurance.
11. At the time of the September 11<sup>th</sup> Attack, Chubb provided property, business interruption and related insurance coverage to numerous corporations, companies, partnerships, affiliations, persons, trusts and other parties ("policy holders and insureds") who suffered injuries, losses and damages as a result of the September 11<sup>th</sup> Attack.
12. Based on my review of Chubb's records, and information I have also received in my capacity as an Officer of Chubb, I have knowledge concerning the insurance claims submitted to Chubb by its policy holders and insureds for the damages, losses, and injuries resulting from the September 11<sup>th</sup> Attack, and the adjustment and subsequent payments made by Chubb in compensation for these submitted claims.

13. The records and information reviewed revealed that Chubb was able to make a determination about the validity of the claims filed with Chubb, and this determination was made by Chubb based upon all information, data, reports and evaluations provided to it. Chubb paid for those claimed losses submitted by its policy holders and insureds which met the requirements of our policies of insurance.
14. In accordance with the terms of the applicable policies of insurance, the adjustment process as described herein, the needs of the insureds, the exigencies of the aftermath of the September 11<sup>th</sup> Attack, and sound considerations related to business operations, Chubb continues to make payments to its policy holders and insureds and it has made total aggregate payments as of the date of this affidavit in the amount of \$2,217,468,721.70 and in compensation for property, business interruption and related damages, and it would not have made these payments and suffered these losses, nor would its insureds and policy holders have suffered these losses, but for the September 11<sup>th</sup> Attack. Specifically, the Chubb companies which have made payments to policy holders and insureds as a result of the September 11<sup>th</sup> Attack are, as follows:

Vigilant Ins. Co.	\$ 42,305,933.24
Chubb Custom Ins. Co.	\$ 612,585.00
Chubb Indemnity Ins. Co.	\$ 4,083,878.20
Federal Ins. Co.	\$ 1,513,667,597.39
Chubb Ins. Co. of NJ	\$ 412,681.71
Chubb Ins. Co. of Canada	\$ 50,452,395.71
Pacific Indemnity Co.	\$ 9,936,536.66
Great Northern Ins. Co.	\$ 595,997,113.79

These companies and the payments listed above represent the aggregate amount of \$2,217,468,721.70, paid by all Chubb companies to-date in this matter.

15. Chubb also suffered losses because of the need to incur costs in the claims adjustment process. These costs included the fees charged by outside consultants such as accountants and engineers, who were utilized to ensure the accuracy of the claims submitted and losses sustained. These costs also included the fees charged by legal counsel retained to advise and assist Chubb in fairly and fully responding to our obligations under the policies of insurance and to resolve questions of policy coverage consistent with the law and our policy obligations. These costs further included the expenses incurred by our claims adjustment professionals in responding to the extraordinary demands of the claims submitted following the September 11<sup>th</sup> Attack. Chubb continues to incur claims adjustment costs, and the claims adjustment costs incurred by it as of the date of this Affidavit total \$30,579,071.71, and Chubb would not have suffered these losses but for the September 11<sup>th</sup> Attack.

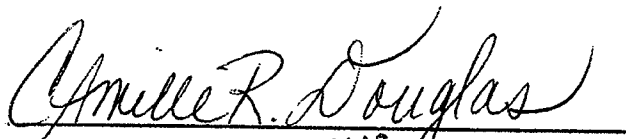
16. The loss of money represented by the amounts paid, and costs and expenses incurred, by Chubb was a direct result of the September 11<sup>th</sup> Attack.
17. A schedule identifying each insured and policy holder who has submitted a covered claim as of the date of this Affidavit, and for which adjustment was completed and payment made in the total aggregate amount of \$2,217,468,721.70, is attached hereto as Exhibit "A". Also, a schedule identifying the category and the total of claims adjustment costs of \$30,579,071.71 incurred by Chubb as of the date of this Affidavit is attached hereto as Exhibit "B".

Further affiant says naught.



Donald L. Siegrist, Jr.  
Vice President  
Chubb & Son, a division of  
Federal Insurance Company

Sworn to and subscribed  
before me this  
9<sup>th</sup> day of Feb., 2007



CAMILLE R. DOUGLAS  
NOTARY PUBLIC OF NEW JERSEY  
Commission Expires 11/13/2007

Pursuant To This Court's Order Dated May 9, 2005, The Schedules Attached As Exhibits A & B Have Been Filed Under Seal In Order To Protect The Identity Of The Insureds From Public Disclosure.

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case
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*This document relates to:*

*Federal Insurance Co., et al. v. Al Qaida, et al., No. 03-CV-6978 (RCC) (S.D.N.Y.)*

**AFFIDAVIT OF THOMAS J. TOTH IN SUPPORT OF THE PROOF OF DAMAGES OF  
AMERICAN ALTERNATIVE INSURANCE COMPANY, THE PRINCETON EXCESS  
AND SURPLUS LINES INSURANCE COMPANY AND  
GREAT LAKES REINSURANCE (UK) LIMITED**

I, Thomas J. Toth, being duly sworn according to law, depose and say,

1. I am Vice President of Property Claims and an officer of Munich Reinsurance America, Inc. ( hereinafter "MRAm") (formerly known as American Reinsurance Company). I am also an officer of American Alternative Insurance Corporation and The Princeton Excess and Surplus Lines Insurance Company. MRAm, American Alternative Insurance Company and The Princeton Excess and Surplus Lines Insurance Company are insurance companies domiciled in Delaware and are wholly-owned subsidiaries of Munich Re America Corporation ( hereinafter "MRAC"), a Delaware corporation. MRAC is ultimately owned by

Munich Reinsurance Company (hereinafter “MRC”), a German corporation. MRC also owns Great Lakes Reinsurance (UK) Limited, a United Kingdom corporation. Pursuant to an underwriting management agreement between MRAm and Great Lakes Reinsurance (UK) Limited, MRAm has issued certain surplus lines insurance policies on behalf of Great Lakes Reinsurance (UK) Limited in the United States, and handles claims on such policies.

2. I make this Affidavit in support of the Proof of Damages of American Alternative Insurance Company, the Princeton Excess and Surplus Lines Insurance Company, and Great Lakes UK Insurance Company (hereinafter “AAIC, PESLIC and/or GLUK”), plaintiffs in the above-action.
3. As an Officer of AAIC and PESLIC, and as an Officer of MRAm, writing on behalf of GLUK, I have been authorized to execute this Affidavit on behalf of AAIC, PESLIC and GLUK.
4. As an Officer of MRAm, I have personal knowledge of the day-to-day affairs of the business of these companies, including personal knowledge of the process related to the submission of claims and the adjustment of claims under policies of insurance issued by these companies.
5. AAIC, PESLIC and GLUK act as following participatory insurance carriers of lead insurance carriers in layered coverage on various risk for numerous insureds and policy holders. As such, these companies follow the lead insurance carriers on a particular risk in the adjustment of claims

submitted by policy holders and insureds. As part of the adjustment process, I will typically receive reports from the lead insurance carriers or adjusters in the field assigned to the adjustment of particular claims. The adjustment process provides me with an opportunity to review the reports, raise issues associated with the adjustment of claims, or pose particular questions or make specific inquiries about the adjustment of claims during the adjustment process. The adjustment will be approved, if appropriate, and payments made according to the participation of AAIC, PESLIC and GLUK in the risk, and based upon recommendations by the lead insurance carriers or adjusters in the field.

6. The nature of the participation of AAIC, PESLIC and GLUK in the adjustment process is such that I understand and I am familiar with the field adjustment process and procedures. The adjustment process includes compliance with standards and procedures which must be followed in completing the adjustment of the claim and subsequent payment of claims under the applicable policies of insurance. The most basic standards of compliance include prompt notification of the loss or damage, a description of the property involved in the loss, a description of how, when and where the loss or damage occurred, the requirement that the insured take reasonable steps to protect the property from further damage and provide documentation in support of the loss, an itemization and inventory of lost or damaged items, an allowance of an inspection of the damaged property, an examination of books and records related to the lost



or damaged property, cooperation in the investigation of the loss, and submission to an examination under oath, if necessary.

7. The adjustment of claims submitted by policy holders and insureds are subject to specific and exacting requirements of proof, including, but not limited to, (a) compliance with, and measurement against, the terms and provisions of the policies of insurance, (b) examination by qualified claims adjustment professionals, (c) analysis and review by outside professionals, such as certified public accounts, engineers, architects, and construction cost specialists, and (d) production of records and other documentation in support of submitted claims.
8. I also receive and regularly review reports prepared by other company officials responsible for the adjustment process, including the particulars of the adjustment and payments for claims submitted by policy holders and insureds. Additionally, in the discharge of my job duties and responsibilities, I regularly rely upon financial data and records related to the adjustment of claims and payment for these claims. The information and data I receive includes executive summaries of claims in process, identification of issues which arise in the adjustment of claims which require resolution, and other data which allows me to determine the accuracy of the claims adjustment process. For these reasons, I am familiar with the adjustment process and disposition of claims submitted by our policy holders and insureds.

9. The adjustment process is subject to my review and audit which further ensures accuracy in the final adjustment and payment of claims submitted by policy holders and insureds.
10. The adjustment of claims is further subject to numerous industry regulatory standards and requirements, including fair claims handling statutes and codes within various jurisdictions. We are bound by law to follow these standards and requirements in the adjustment and disposition of all claims.
11. In connection with preparation of this Affidavit, I have undertaken a thorough review of business records relating to insurance claims submitted to AAIC, PESLIC and GLUK by their policyholders and insureds for losses resulting from the September 11, 2001 Attack on the United States (the "September 11th Attack"), and the payments made by these companies in compensation for losses suffered by their policy holders and insureds for the claims submitted by them.
12. At the time of the September 11th Attack, AAIC, PESLIC and GLUK provided property, business interruption and related insurance coverage to numerous corporations, companies, partnerships, affiliations, persons, trusts and other parties ("policy holders and insureds") who suffered injuries, losses and damages as a result of the September 11<sup>th</sup> Attack.
13. Based on my review of the business records of AAIC, PESLIC and GLUK, as well as information I have also received in my capacity as an

Officer of MRAm, I have personal knowledge concerning the insurance claims submitted to these companies by their policy holders and insureds for the damages, losses, and injuries resulting from the September 11<sup>th</sup> Attack, and the adjustment and subsequent payments made by these companies in compensation for these submitted claims.

14. I was the individual ultimately responsible for determining the validity of the claims filed with AAIC, PESLIC and GLUK, and I made a determination based upon all information, data, reports, and evaluations provided to me whether these companies were responsible for the losses claimed pursuant to the submissions of our policy holders and insureds and the requirements of our policies of insurance..
15. In accordance with the terms of the applicable policies of insurance, the adjustment process as described herein, the needs of the insureds, the exigencies of the aftermath of the September 11<sup>th</sup> Attack, and sound considerations related to business operations, AAIC, PESLIC and GLUK have made total aggregate payments to-date in the amount of \$107,230,501.59 in compensation for property, business interruption and related damages, as follows:

American Alternative Insurance Company \$ 3,922,782.07

Princeton Excess and Surplus Lines  
Insurance Company \$ 3,796,292.50

Great Lakes UK Reinsurance Company \$ 99,511,427.02

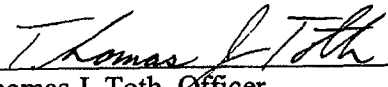
16. AAIC, PESLIC and GLUK would not have made these payments and suffered these losses, nor would their insureds and policy holders have suffered these losses, but for the September 11<sup>th</sup> Attack.
17. We also suffered losses because of the need to incur costs in the claims adjustment process. These costs included the fees charged by outside consultants such as accountants and engineers, who were utilized to ensure the accuracy of the claims submitted and losses sustained. These costs also included the expenses incurred by our claims adjustment professionals in responding to the extraordinary demands of the claims submitted following the September 11<sup>th</sup> Attack. The claims adjustment costs incurred by AAIC, PESLIC and GLUK total \$810,805.43 to-date, and they would not have suffered these losses but for the September 11<sup>th</sup> Attack.
18. We also suffered losses because of the need to incur legal expenses in the claims adjustment process. These expenses involved the fees charged by counsel retained to advise and assist us in fairly and fully responding to our obligations under the policies of insurance and to resolve questions of policy coverage consistent with the law and our policy obligations. The legal expenses incurred by AAIC, PESLIC and GLUK total \$299,891.05

to-date, and they would not have suffered these losses but for the September 11<sup>th</sup> Attack.

19. The loss of money represented by the amounts paid, and costs and expenses incurred by AAIC, PESLIC and GLUK was a direct result of the September 11<sup>th</sup> Attack.
20. A schedule identifying each insured and policy holder who submitted a covered claim which was adjusted as of the date of this Affidavit, and for which payment in the total aggregate amount of \$107,230,501.59 was made by AAIC, PESLIC and GLUK is attached hereto as Exhibit "A", Columns A through D. Claims adjustment costs of \$810,805.43 incurred by AAIC, PESLIC and GLUK is attached hereto as Exhibit "A", Column E. Legal expenses of \$299,891.05 incurred by AAIC, PESLIC and GLUK is attached hereto as Exhibit "A", Column F.

Further affiant says naught.

*January, 16, 2007*

  
Thomas J. Toth, Officer  
Munich Reinsurance America, Inc.

*Lauren M. Lupica*  
*01-16-07*

**LAUREN MARY LUPICA**  
**Notary Public, State of New Jersey**  
**No. 2291019**  
**Qualified in Middlesex County**  
**Commission Expires August 21, 2007**

Pursuant To This Court's Order Dated May 9, 2005, The Schedule Attached As Exhibit A Has Been Filed Under Seal In Order To Protect The Identity Of The Insureds From Public Disclosure.

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001

03 MDL 1570 (RCC)  
ECF Case

*This document relates to:*

*Federal Insurance Co. v. al Qaida*, Case No. 03-CV-6978 (RCC) (S.D.N.Y.)

**AFFIDAVIT OF JOHN F. MURPHY IN SUPPORT OF  
ONEBEACON INSURANCE GROUP'S PROOF OF DAMAGES**

I, John F. Murphy, being duly sworn according to law, depose and say,

1. I am the Property Claim Officer of OneBeacon Insurance Group, a plaintiff in the above-action.
2. I make this Affidavit in support of OneBeacon Insurance Group's Proof of Damages.
3. As an Officer of OneBeacon Insurance Group, I have been authorized to execute this Affidavit on its behalf.
4. As an Officer of OneBeacon Insurance Group, I have personal knowledge of the day-to-day affairs of the business of the company, including personal knowledge of the process related to submission of claims, and the adjustment of claims under policies of insurance issued by OneBeacon Insurance Group.
5. The adjustment process includes compliance with standards and procedures which must be followed in completing the adjustment of the claim and the subsequent payment of claims under the policies of insurance. The most basic standards of compliance include the following:



*Duties In The Event Of Loss Or Damage*

*You must see that the following are done in the event of loss or damage to Covered Property:*

*Notify the police if a law may have been broken.*

*Give us prompt notice of the loss or damage. Include a description of the property involved.*

*As soon as possible, give us a description of how, when and where the loss or damage occurred.*

*Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.*

*At our request, give us the complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.*

*As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.*

*Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.*

*Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.*

*Cooperate with us in the investigation or settlement of the claim.*

*We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.*

This language (or substantially similar language) is found within all property policies of insurance issued by OneBeacon Insurance Group.

6. The adjustment of claims submitted by policy holders and insureds are subject to specific and exacting requirements of proof, including, but not limited to, (a) compliance with, and measurement against, the terms and provisions of the policies of insurance, (b) examination by qualified adjustment professionals, (c) analysis and review by outside professionals, such as certified public accounts, engineers, architects, and construction cost specialists, and (d) production of records and other documentation in support of submitted claims.
7. I also receive and regularly review reports prepared by other company officials responsible for the adjustment process, including the particulars of the adjustment and payments for claims submitted by policy holders and insureds. Additionally, in the discharge of my job duties and responsibilities, I regularly rely upon financial data and records related to the adjustment of claims and payment for these claims. The information and data I receive includes executive summaries of claims in process, identification of issues which arise in the adjustment of claims which require resolution, and other data which allows me to determine the accuracy of the claims adjustment process. For these reasons, I am familiar with the

adjustment process and disposition of claims submitted by our  
policy holders and insureds

8. The adjustment process is also subject to internal review and audit by other management and supervisory personnel, which further ensures accuracy in the final adjustment and payment of claims submitted by policy holders and insureds. Our management and supervisory personnel have expertise in a wide range of areas, including expertise in the calculation and determination of loss of business income, property values, and construction costs and expenses. Further, each of our management and supervisory personnel are trained or experienced in their particular areas of specialty, and each individual brings to the claims evaluation process many years of experience. I have personal knowledge of their work and regularly rely upon it in my own evaluation and disposition of claims.
9. The adjustment of claims is further subject to numerous industry regulatory standards and requirements, including fair claims handling statutes and codes within various jurisdictions. We are bound by law to follow these standards and requirements in the adjustment and disposition of all claims.
10. In connection with preparation of this Affidavit, I have undertaken a review of OneBeacon Insurance Group's business records relating to insurance claims submitted to OneBeacon Insurance Group by its policy holders and insureds for damages and injuries resulting from the

September 11, 2001 Attack on the United States (the “September 11<sup>th</sup> Attack”), and the payments made by OneBeacon Insurance Group in compensation for losses suffered by our policy holders and insureds for the claims submitted by them under OneBeacon Insurance Group’s policies of insurance.

11. At the time of the September 11<sup>th</sup> Attack, OneBeacon Insurance Group provided property, business interruption and related insurance coverage to numerous corporations, companies, partnerships, affiliations, persons, trusts and other parties (“policy holders and insureds”) who suffered injuries, losses and damages as a result of the September 11<sup>th</sup> Attack.
12. Based on my review of OneBeacon Insurance Group’s business records, as well as information I have also received in my capacity as an Officer of OneBeacon Insurance Group, I have personal knowledge concerning the insurance claims submitted to OneBeacon Insurance Group by its policy holders and insureds for the damages, losses, and injuries resulting from the September 11<sup>th</sup> Attack, and the adjustment and subsequent payments made by OneBeacon Insurance Group in compensation for these submitted claims.
13. I have reviewed the OneBeacon Insurance Group records related to the time period associated with the insurance claims submitted to OneBeacon Insurance Group by its policy holders and insured for the damages, losses, and injuries resulting from the September 11<sup>th</sup> attack, and the adjustment

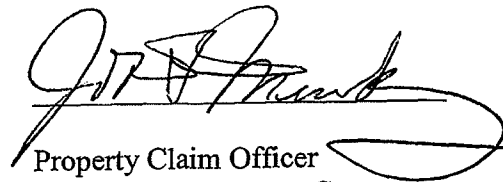
and subsequent payments made by OneBeacon Insurance Group in compensation for these submitted claims. I am satisfied from a review of the records that the adjustment of the claims was thorough and complete, and that the payments made were properly and satisfactorily documented and valid pursuant to the obligations of OneBeacon Insurance Company under its various policies of insurance.

14. In accordance with the terms of the applicable policies of insurance, the adjustment process as described herein, the needs of the insureds, the exigencies of the aftermath of the September 11<sup>th</sup> Attack, and sound consideration relating to business operations, OneBeacon Insurance Group has made total aggregate payments as of the date of this affidavit in the amount of \$185,805,247.79 in compensation for property, business interruption and related damages, and it would not have made these payments and suffered these losses, nor would its insureds and policy holders have suffered these losses, but for the September 11<sup>th</sup> Attack.
15. We also suffered losses because of the need to incur costs in the claims adjustment process. These costs included the fees charged by outside consultants such as accountants and engineers, who were utilized to ensure the accuracy of the claims submitted and losses sustained. These costs also included the expenses incurred by our claims adjustment professionals in responding to the extraordinary demands of the claims submitted following the September 11<sup>th</sup> Attack. The claims adjustment

costs incurred by OneBeacon Insurance Group are included in the total amount listed in paragraph 14 above.

16. We also suffered losses because of the need to incur legal expenses in the claims adjustment process. These expenses involved the fees charged by counsel retained to advise and assist us in fairly and fully responding to our obligations under the policies of insurance and to resolve questions of policy coverage consistent with the law and our policy obligations. The legal expenses incurred by OneBeacon Insurance Group are included in paragraph 14 above.
17. The loss of money represented by the amounts paid, and costs and expenses incurred, by OneBeacon Insurance Group was a direct result of the September 11<sup>th</sup> Attack.
18. A schedule identifying each insured and policy holder who submitted a covered claim which was adjusted as of the date of this Affidavit, and for which payment in the total aggregate amount of \$185,805,247.79 was made by OneBeacon Insurance Group is attached hereto as Exhibit "A", Columns A through D.


Further affiant says naught.



Property Claim Officer  
OneBeacon Insurance Group



**BARRY JOHNSON ROCK**  
Notary Public  
Commonwealth of Massachusetts  
My Commission Expires  
September 28, 2012



11/16/07

Pursuant To This Court's Order Dated May 9, 2005, The Schedule Attached As Exhibit A Has Been Filed Under Seal In Order To Protect The Identity Of The Insureds From Public Disclosure.



**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001

03 MDL 1570 (RCC)  
ECF Case

*This document relates to:*

*Federal Insurance Co. v. al Qaida*, Case No. 03-CV-6978 (RCC) (S.D.N.Y.)

**AFFIDAVIT OF ROBERT KNOWLES IN SUPPORT OF  
TIG INSURANCE COMPANY'S PROOF OF DAMAGES**

I, Robert Knowles, being duly sworn according to law, depose and say,

1. I am the Vice President and an Officer of TIG Insurance Company, a plaintiff in the above action.
2. I make this Affidavit in support of TIG Insurance Company's Proof of Damages.
3. As an Officer of TIG Insurance Company, I have been authorized to execute this Affidavit on its behalf.
4. As an Officer of TIG Insurance Company, I have personal knowledge of the day-to-day affairs of the business of the company, including personal knowledge of the process related to the submission of claims, and the adjustment of claims under policies of insurance issued by TIG Insurance Company.
5. The adjustment process includes compliance with standards and procedures which must be followed in completing the adjustment of the claim and the subsequent payment of claims under the policies of insurance. The most basic standards of compliance include the following:

*Duties In The Event Of Loss Or Damage*

*You must see that the following are done in the event of loss or damage to Covered Property:*

*Notify the police if a law may have been broken.*

*Give us prompt notice of the loss or damage. Include a description of the property involved.*

*As soon as possible, give us a description of how, when and where the loss or damage occurred.*

*Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.*

*At our request, give us the complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.*

*As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.*

*Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.*

*Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.*

*Cooperate with us in the investigation or settlement of the claim.*

*We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.*

This language (or substantially similar language) is found within all property policies of insurance issued by TIG Insurance Company.

6. The adjustment of claims submitted by policy holders and insureds are subject to specific and exacting requirements of proof, including, but not limited to, (a) compliance with, and measurement against, the terms and provisions of the policies of insurance, (b) examination by qualified adjustment professionals, (c) analysis and review by outside professionals, such as certified public accounts, engineers, architects, and construction cost specialists, and (d) production of records and other documentation in support of submitted claims.
7. I also receive and regularly review reports prepared by other company officials responsible for the adjustment process, including the particulars of the adjustment and payments for claims submitted by policy holders and insureds. Additionally, in the discharge of my job duties and responsibilities, I regularly rely upon financial data and records related to the adjustment of claims and payment for these claims. The information and data I receive includes executive summaries of claims in process, identification of issues which arise in the adjustment of claims which require resolution, and other data which allows me to determine the accuracy of the claims adjustment process. For these reasons, I am familiar with the

adjustment process and disposition of claims submitted by our policy holders and insureds.

8. The adjustment process is also subject to internal review and audit by other management and supervisory personnel, which further ensures accuracy in the final adjustment and payment of claims submitted by policy holders and insureds. Our management and supervisory personnel have expertise in a wide range of areas, including expertise in the calculation and determination of loss of business income, property values, and construction costs and expenses. Further, each of our management and supervisory personnel are trained or experienced in their particular areas of specialty, and each individual brings to the claims evaluation process many years of experience. I have personal knowledge of their work and regularly rely upon it in my own evaluation and disposition of claims.
9. The adjustment of claims is further subject to numerous industry regulatory standards and requirements, including fair claims handling statutes and codes within various jurisdictions. We are bound by law to follow these standards and requirements in the adjustment and disposition of all claims.
10. In connection with preparation of this Affidavit, I have undertaken a review of TIG Insurance Company's business records relating to insurance claims submitted to TIG Insurance Company by its policy holders and insureds for damages and injuries resulting from the September 11, 2001

Attack on the United States (the “September 11<sup>th</sup> Attack”), and the payments made by TIG Insurance Company in compensation for losses suffered by our policy holders and insureds for the claims submitted by them under TIG Insurance Company’s policies of insurance.

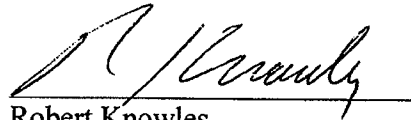
11. At the time of the September 11<sup>th</sup> Attack, TIG Insurance Company provided property, business interruption and related insurance coverage to numerous corporations, companies, partnerships, affiliations, persons, trusts and other parties (“policy holders and insureds”) who suffered injuries, losses and damages as a result of the September 11<sup>th</sup> Attack.
12. Based on my review of TIG Insurance Company’s business records, as well as information I have also received in my capacity as an Officer of TIG Insurance Company, I have personal knowledge concerning the insurance claims submitted to TIG Insurance Company by its policy holders and insureds for the damages, losses, and injuries resulting from the September 11<sup>th</sup> Attack, and the adjustment and subsequent payments made by TIG Insurance Company in compensation for these submitted claims.
13. I was the individual ultimately responsible for determining the validity of the claims filed with TIG Insurance Company. I made a determination based upon all information, data, reports, and evaluations provided to me whether TIG Insurance Company was responsible for the losses claimed pursuant to the submissions of our policy holders and insureds and the requirements of our policies of insurance.

14. In accordance with the terms of the applicable policies of insurance, the adjustment process as described herein, the needs of the insureds, the exigencies of the aftermath of the September 11<sup>th</sup> Attack, and sound considerations related to business operations, TIG Insurance Company has made total aggregate payments as of the date of this affidavit in the amount of \$76,084,229.30 in compensation for property, business interruption and related damages, and it would not have made these payments and suffered these losses, nor would its insureds and policy holders have suffered these losses, but for the September 11<sup>th</sup> Attack.
15. We also suffered losses because of the need to incur costs in the claims adjustment process. These costs included the fees charged by outside consultants such as accountants and engineers, who were utilized to ensure the accuracy of the claims submitted and losses sustained. These costs also included the expenses incurred by our claims adjustment professionals in responding to the extraordinary demands of the claims submitted following the September 11<sup>th</sup> Attack. The claims adjustment costs incurred by TIG Insurance Company total \$755,373.44 to date, and we would not have suffered these losses but for the September 11<sup>th</sup> Attack.
16. We also suffered losses because of the need to incur legal expenses in the claims adjustment process. These expenses involved the fees charged by counsel retained to advise and assist us in fairly and fully responding to our obligations under the policies of insurance and to resolve questions of policy coverage consistent with the law and our policy obligations. The

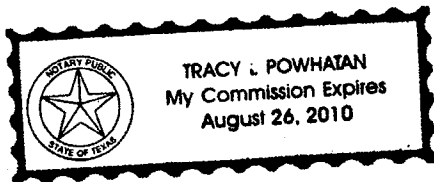
legal expenses incurred by TIG Insurance Company total \$1,770,010.20 to date, and we would not have suffered these losses but for the September 11<sup>th</sup> Attack.

17. The loss of money represented by the amounts paid, and costs and expenses incurred, by TIG Insurance Company was a direct result of the September 11<sup>th</sup> Attack.
18. A schedule identifying each insured and policy holder who submitted a covered claim which was adjusted as of the date of this Affidavit and for which payment in the total aggregate amount of \$76,084,229.30 was made by TIG Insurance Company is attached hereto as Exhibit "A", Columns A through D. Also, a schedule identifying the category and the total of claims adjustment costs incurred by TIG Insurance Company is attached hereto as Exhibit "A", Column E. Finally, a schedule identifying the total of legal expenses incurred by TIG Insurance Company is attached hereto as Exhibit "A", Column F.

Further affiant says naught.



Robert Knowles  
Vice President  
TIG Insurance Company



*Tracy Powhatan 1-11-07*



Pursuant To This Court's Order Dated May 9, 2005, The Schedule Attached As Exhibit A Has Been Filed Under Seal In Order To Protect The Identity Of The Insureds From Public Disclosure.

PHILADELPHIA  
ATLANTA  
CHARLOTTE  
CHERRY HILL  
CHICAGO  
DALLAS  
DENVER  
HOUSTON  
LAS VEGAS  
LONDON  
LOS ANGELES



NEW YORK  
NEWARK  
SAN DIEGO  
SAN FRANCISCO  
SEATTLE  
TRENTON  
WASHINGTON, DC  
WEST CONSHOHOCKEN  
WICHITA  
WILMINGTON

A PROFESSIONAL CORPORATION

1900 MARKET STREET PHILADELPHIA, PA 19103-3508 215.665.2000 800.523.2900 215.665.2013 FAX www.cozen.com

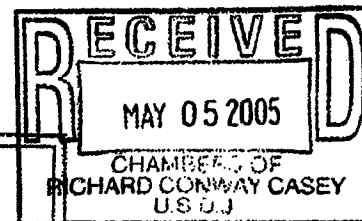
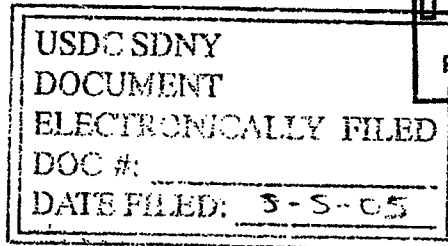
ECF

**J. Scott Tarbutton**  
Direct Phone 215.665.7255  
Direct Fax 215.701.2467  
starbutton@cozen.com

May 4, 2005

VIA FEDERAL EXPRESS

The Honorable Richard C. Casey  
United States District Court for the  
Southern District of New York  
United States Courthouse  
500 Pearl Street, Room 1950  
New York, NY 10007-1312



Re: *In Re: Terrorist Attack on September 11, 2001*, MDL No. 1570;  
*Federal Insurance Company et al. v. al Qaida, et al.*, 03 CV 6978

Dear Judge Casey:

As Your Honor is aware, this firm represents the Plaintiffs in *Federal Insurance Co., et al. v. al Qaida, et al.*, 03 CV 6978, one of the consolidated cases comprising *In Re: Terrorist Attack of September 11, 2001*, 03 MDL 1570. In an effort to make this case more manageable for the Court and all parties involved, the *Federal* Plaintiffs will shortly be seeking entries of default against several hundred defendants who were served some time ago, but have not appeared to defend the claims asserted against them.

In connection with the default process the *Federal* Plaintiffs intend to file schedules detailing their insureds, and the amounts paid to those insureds in compensation for property, business interruption, and related losses resulting from the September 11, 2001 Attack, as Exhibits to the default papers.

This Court has previously authorized the *Federal* Plaintiffs to file schedules identifying their insureds under seal, in order to protect the identity of those insureds from public disclosure. Copies of the Court's prior Orders relating to the filing of such schedules under seal are attached hereto for the Court's convenience. Consistent with these prior Orders, the *Federal* Plaintiffs

Judge Richard C. Casey

May 4, 2005

Page 2


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write to respectfully request the Court's permission to file the schedules to be attached as Exhibits to the default filings under seal.

I thank Your Honor in advance for the Court's attention to this matter.

Respectfully submitted,

COZEN O'CONNOR



By: J. Scott Tarbutton

JST

cc: Steven A Cozen, Esq.  
Elliott R. Feldman, Esq.  
Sean P. Carter, Esq.  
All MDL Counsel

Application granted  
5/5/05



PHILA1\22663182 117430.000

# **EXHIBIT C**

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re Terrorist Attacks on September 11, 2001	03 MDL 1570 (RCC) ECF Case
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*This document relates to:*

*Federal Insurance Co. v. al Qaida  
03 CV 06978 (RCC)*

**REPLY MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFFS' MOTION FOR  
ASSESSMENT OF DAMAGES AGAINST THE DEFAULTED DEFENDANTS**

COZEN O'CONNOR  
1900 Market Street  
Philadelphia, PA 19103  
(215) 665-2000

## I. INTRODUCTION

On February 13, 2007, several of the plaintiffs in *Federal Insurance Co., et al. v. al Qaida, et al.* 03 CV 6978 (RCC) (Plaintiffs) filed a Motion for Assessment of Damages Against the Defaulted Defendants<sup>1</sup> Under the Anti-Terrorism Act (Motion for Assessment). The Motion for Assessment requests that the Court assess damages against the defaulted defendants for Plaintiffs' property and business damage claims under the Anti-Terrorism Act, based on the detailed affidavit testimony of Plaintiffs' designated representatives and officers. Consistent with well-established authority, the Motion for Assessment advocates that the measure of damages applicable to Plaintiffs' business and property damage claims under the ATA is simply the aggregate of Plaintiffs' September 11<sup>th</sup> payments and expenses, trebled.

On March 2, 2007, the Defendants' Executive Committee submitted a letter to the Honorable Judge Richard Conway Casey, which was not filed of record through the ECF system or otherwise docketed in the case, in which the Defendants' Executive Committee requests that the Court deny Plaintiffs' Motion for Assessment. In that letter, the Defendants' Executive Committee does not dispute the propriety of the measure of damages advanced by plaintiffs in the Motion for Assessment, or that the affidavit testimony of Plaintiffs' designated representatives and officers provides a competent evidentiary basis for this Court to assess damages against the defaulted defendants. Instead, the Defendants' Executive Committee contends that this Court should hold the assessment of damages against the defaulted defendants in abeyance until the completion of pre-trial proceedings against all of the non-defaulted

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<sup>1</sup> The Court entered default judgments as to liability against approximately 300 defendants on April 7, 2006, and held that Plaintiffs were entitled to have the value of damages recoverable from those defendants set at a hearing. Thus, the Court most certainly did not find that Plaintiffs were not entitled to an assessment of damages against the defaulted defendants "at this time," as the Defendants' Executive Committee suggests in its letter. Given the straightforward measure of damages applicable to Plaintiffs' business and property claims under the ATA, the Motion for Assessment submits that the value of those claims can be assessed based on affidavit testimony, in lieu of a formal evidentiary hearing.

defendants, and leave the valuation of Plaintiffs' business and property injuries to the jury at the time of trial. Thus, the Defendants' Executive Committee essentially advocates that Plaintiffs' claims against the defaulted defendants should be suspended, likely for a period of several years. In addition, although the members of the Defendants' Executive Committee have never publicly indicated that they represent any of the defaulted defendants against whom Plaintiffs seek an assessment of damages, the Defendants' Executive Committee nonetheless expresses in its letter a concern that the valuation of Plaintiffs' business and property damage claims against the defaulted defendants (a group which includes Osama bin Laden, al Qaida and more than two hundred other designated sponsors of terrorism and terrorist organizations) could lead to execution proceedings against "innocent" parties.

For the reasons set forth below, Plaintiffs respectfully submit that the Defendants' Executive Committee fundamentally lacks the authority or standing to oppose Plaintiffs' Motion for Assessment, and that its letter submission directly to the Court is a substantive and procedural nullity. Furthermore, Plaintiffs are entitled to an assessment of damages by this Court for their business and property damage claims at this time, and the failure to promptly set a value of those claims would in fact severely prejudice Plaintiffs.

## **II. ARGUMENT**

### **A. The Defendants' Executive Committee Has No Authority to Oppose Plaintiffs' Motion for Assessment**

During a hearing on September 27, 2005, this Court directed the defendants to form an Executive Committee to facilitate progress in the consolidated proceedings, a measure the defendants had long resisted. In response to that directive, counsel for the defendants expressed concerns regarding the proper scope of authority that Executive Committee should be granted, given the potentially divergent interests of the defendants. In view of those concerns, counsel for

the defendants requested that the defendants be afforded the opportunity to draft the Order governing the structure and scope of authority of the Defendants' Executive Committee.

That Order, which was endorsed by the Court in the form submitted by the defendants, provides as follows:

1. The defendants shall designate a single Executive Committee which will have **the following authority, and no other authority**:
  - a. To confer and agree with Plaintiffs' Executive Committee on scheduling matters relating to court hearings, depositions, and deadlines affecting defendants generally, and on proposed agenda items for Court hearings.
  - b. To coordinate communications with counsel for any plaintiff seeking the consent of defendants generally to a non-dispositive motion.
  - c. To coordinate the examination of witnesses by defense counsel at a deposition or hearing.
  - d. To coordinate communications with Plaintiffs' Executive Committee and with the Court concerning any requested changes in this case management and pre-trial scheduling order.

Case Management Order No. 5 (emphasis supplied).

As the plain language of Case Management Order No. 5 makes clear, the Defendants' Executive Committee fundamentally lacks the authority to file any opposition to Plaintiffs' Motion for Assessment. Because the defendant themselves chose the relevant limitations on the authority of their Executive Committee, those limitations should be strictly enforced. Accordingly, this Court should strike the Defendants' Executive Committee's March 2, 2007 letter, and disregard the arguments advanced therein entirely.

**B. The Defendants' Executive Committee's Letter to the Court Is Procedurally Improper**

This Court also should strike the Defendants' Executive Committee's March 2, 2007 letter on the grounds that it was not properly filed of record, as required by the rules and



governing case management orders. Pursuant to the governing case management orders and practices of the Southern District of New York, the parties in this case generally are required to make written submissions through the ECF system. Although the Court has permitted letter briefing in certain settings, the use of that practice has generally been restricted to procedural and discovery issues, or disputes relative to which the parties consent to letter briefing. In the limited circumstances where letter briefing is permitted, this Court's June 17, 2004 Order requires that the parties refrain from submitting letter briefs to the Court until the completion of all such briefing, and then submit the positions of all parties in a single package.

By virtue of their participation in these proceedings over the last four years, the members of the Defendants' Executive Committee are intimately familiar with these procedures, and unquestionably aware that letter oppositions are not permitted in relation to motions filed through the ECF system, such as Plaintiffs' Motion for Assessment. Indeed, in the nearly four year history of this case, Plaintiffs are unaware of a single instance in which a defendant has submitted a letter in opposition or reply to a brief filed through the ECF system. Nonetheless, in this isolated instance, the Defendants' Executive Committee chose to deliberately ignore the governing briefing procedures, and submit a letter opposition directly to the Court, prior to the completion briefing.

Presumably, the Defendants' Executive Committee chose to ignore the governing procedures in an effort to influence the Court without having to submit a formal filing in the name of a particular defendant or defendants, or to gain some other perceived strategic advantage. Regardless of its motive, this Court should not countenance such a deliberate attempt to manipulate the judicial process in contravention of the governing rules.<sup>2</sup>

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<sup>2</sup> The requirement that the parties file briefs of record, in their own names, serves to protect the integrity of the judicial system in several significant ways, which would be undermined by the acceptance of the letter oppositions submitted directly to chambers by the Defendants' Executive Committee. As an example, proper identification of the party filing the brief is necessary to evaluate the standing of that

**C. Joint and Several Liability Principles Do Not Warrant Deferral of an Assessment of Damages Against the Defaulted Defendants**

In addition to the standing and procedural deficiencies identified above, the Defendants' Executive Committee's letter fails to present a valid substantive argument in opposition to the Motion for Assessment. In support of its request that the Court deny the Motion for Assessment, the Defendants' Executive Committee summarily argues that Plaintiffs' claims in this action rest on conspiracy and aiding and abetting theories, which implicate principles of joint and several liability. Given these joint and several theories of recovery, the Defendants' Executive Committee raises concerns regarding the potential for "inconsistent judgments," as to both liability and damages issues. These arguments misapprehend plaintiffs' theories of liability under the ATA, and are directly inconsistent with relevant authority.

**1. Plaintiffs' ATA Claims Against the Defaulted Defendants Do Not Rest Solely on Conspiracy and Aiding and Abetting Theories**

Contrary to the unsupported assertion in the Defendants' Executive Committee's letter, Plaintiffs ATA theories are not predicated solely on concerted action theories of liability. As the 7<sup>th</sup> Circuit observed in Boim v. Quranic Literacy Inst., 291 F.3d 1000, 1015 (7<sup>th</sup> Cir. 2002), plaintiff asserting claims under the ATA may establish liability in either of two ways: (1) based on common-law theories of conspiracy and aiding and abetting liability; or (2) by demonstrating that the defendant violated the ATA's criminal provisions, and that those violations were a substantial factor in bringing about plaintiff's injuries. In the present case, plaintiffs have advanced ATA claims against the defaulted defendants under all theories of liability available under that statute, including claims based on the defaulted defendants' violations of the ATA's criminal provisions.

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party in relation to the issues in dispute, as well as potential conflicts with positions previously asserted in the litigation. In addition, formal submissions of briefs and pleadings of record is necessary to ensure that the parties comply with the obligations of Rule 11.

In view of the foregoing, the default judgments previously entered against the defaulted defendants as to liability under the ATA do not rest solely on conspiracy and aiding and abetting theories. Accordingly, the Defendants' Executive Committees' arguments – all of which rest on the flawed assumption that common law conspiracy and aiding and abetting theories represent the sole basis of liability advanced against the defaulted defendants under the ATA - necessarily fail.

**2. The Entry of Default Judgments and Assessment of Damages Do Not Present any Potential for Inconsistent Judgments as to Liability Issues**

Moreover, even if Plaintiffs' ATA claims were predicated solely upon concerted action theories of liability, the entry of default judgments and assessment of damages against the defaulted defendants would not present any risk of inconsistent liability judgments, as the Defendants' Executive Committee implies in its letter. In cases involving theories of joint and several liability, differing results as to liability issues are not logically inconsistent or contradictory. In re: Uranium Antitrust Litig., 617 F.2d 1248, 1257 (7<sup>th</sup> Cir. 1980). As a result, every court in this Circuit to have considered the issue has held that the entry of default judgments against fewer than all defendants as to liability does not present any potential for inconsistent judgments in cases involving joint and several theories, and is in fact entirely appropriate.<sup>3</sup> See International Gemmological Institute, Inc. v. Rafaeil, 2005 U.S. Dist. LEXIS

<sup>3</sup> Although the Defendants' Executive Committee does not cite a single case in support of its misplaced arguments regarding the alleged potential for inconsistent liability judgments, Plaintiffs assume those arguments are loosely based on the Supreme Court's decision in Frow v. De la Vega, 82 U.S. (15 Wall.) 552, 21 L.Ed. 60 (1872). In Frow, the plaintiff filed an action against multiple defendants, alleging theories of *joint* liability. The trial court entered a default judgment against one of the defendants, but subsequently dismissed the plaintiff's complaint on the merits as against the other defendants. The Supreme Court later reversed the default judgment, reasoning that the trial court in a case involving theories of *joint* liability should not enter default judgment against the defendant until and unless the Court finds for plaintiff as against the appearing defendants. Id. at 554. Although Frow remains good law, it has been narrowly construed by every court in this Circuit to apply only to cases involving "true joint" liability, and to have absolutely no application to cases involving theories of joint and several liability. International Gemmological Institute, 2005 U.S. Dist. LEXIS 19288 at \*6. Consistent with this reasoning, the Frow doctrine applies only (1) where the theory of recovery is one of true joint liability, such that, as a matter of law, *no one defendant may be liable unless all defendants are liable* or (2)

19288 \*6 (S.D. N.Y. 2005). Accordingly, the arguments the Defendants' Executive Committee raises regarding potential inconsistent judgments on liability questions should be rejected out of hand.<sup>4</sup>

More fundamentally, neither the Defendants' Executive Committee nor the individual non-defaulting defendants possess standing to challenge the default judgments on liability grounds. In presenting its regarding the alleged potential for inconsistent judgments as to liability issues, the Defendants' Executive Committee conveniently ignores the fact that this Court already has entered default judgments as to liability against the defaulted defendants, notably without opposition from any of the non-defaulting defendants. Those default judgments are subject to challenge only by the defaulted defendants themselves, under Fed. R.Civ. P. 60.<sup>5</sup> Neither the Defendants' Executive Committee nor the individual non-defaulting defendants have standing to challenge those default judgments as to liability. Schmid, Inc. v. Zucker's Gifts, Inc., 766 F. Supp. 118, 123 (S.D. N.Y. 1991). Indeed, this Court previously rejected an attempt by the non-defaulting defendants to challenge the liability default judgments entered in the World Trade Center Properties and EuroBrokers cases, and held that any challenge to those default judgments must be presented by the defendant against whom that judgment was entered. See May 22, 2006 Orders, Docket Nos. 1812, 1814

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where the nature of the relief demanded is such that, in order to be effective, it must be granted against each and every defendant. In re: Uranium Antitrust Litig., 617 F.2d at 1256-58. Obviously, neither of those situations applies here.

<sup>4</sup> The arguments the Defendants' Executive Committee raises on this point also are without practical merit. For example, the Defendants' Executive Committee raises as a potential point of inconsistency the possibility that the Court could later find that no conspiracy existed. However, the fact that the September 11, 2001 tragedy was the result of a successful conspiracy to attack the United States through terrorist means is most certainly beyond any rational dispute.

<sup>5</sup> Although irrelevant given its lack of standing, it is worth noting that the Defendants' Executive Committee makes no effort to address or satisfy the standards for vacating default judgments under Rule 60, a fact which further requires that its arguments be rejected.

**3. Delaying the Assessment of Damages Against the Defaulted Defendants Would Severely Prejudice Plaintiffs and Undermine the Objectives of the ATA**

Furthermore, where proceedings against the non-defaulting defendants could potentially extend for a significant period of time, the mild administrative inconvenience which could potentially result from inconsistent damage valuations is greatly outweighed by the severe prejudice the plaintiff would suffer from delaying the assessment of damages against defaulting parties, and it is therefore necessary and appropriate to proceed with that assessment. In this regard, the decision of the Court in International Gemmological Institute is particularly instructive.

In International Gemmological Institute, a gem appraisal corporation sued numerous defendants, including one of its former employees and a number of jewelry companies, alleging theories of joint and several recovery. International Gemmological Institute, 2005 U.S. Dist. LEXIS 19288 at \*2. After a number of defendants failed to appear in a timely manner, the Court entered default judgments against those defendants, and referred the matter to a magistrate judge for an inquest on damages. Id. One of the non-defaulting defendants objected to the proposed assessment of damages against the defaulted defendants, arguing that the inquest was premature and should be delayed until the liability of all defendants had been determined. Id. at \*4.

The Court rejected the defendant's arguments, reasoning that plaintiff's assertion of theories of joint and several liability did not preclude the Court from assessing damages and entering default judgments against defendants who failed to appear, and that the failure to promptly assess damages against the defaulting defendants would severely prejudice the plaintiff. Id. at \*7-9. In reaching its decision, the Court acknowledged that other courts had on occasion declined to assess damages against defaulted defendants in joint and several liability cases prior to the conclusion of all pre-trial proceedings. However, the Court correctly noted that those decisions were predicated solely on principles of judicial economy, which must yield to

more important considerations in complex cases, especially where proceedings against the non-defaulting defendants are unlikely to conclude in a short time. Id. at \*6-7. In this respect, the Court held as follows:

Many courts, however, have refused to assess damages against defaulting defendants in these cases since doing so presents the possibility of judgments inconsistent with jury awards against the non-defaulting parties. ... The main justification for requiring such a delay has been judicial economy. Here, however, the strain on judicial resources is so slight that this consideration must give way to the interests of the parties in proceeding with the inquest.

It is undisputed that the amount of damages that a plaintiff may recover from defaulting and non-defaulting defendants in a case based on joint and several liability should not differ. However, it is unclear why the mere possibility that such a circumstance may come to pass should prevent this Court from assessing damages. If a jury returns a verdict for a different amount than is assessed during this inquest, my ruling will be set aside, and the jury's finding will prevail. This mild administrative inconvenience is clearly outweighed by the interests of the parties in proceeding with the damage assessment at this time.

Id. at \*7-8.

The International Gemological Institute Court further recognized that the failure to promptly assess damages against the defaulting defendants could substantially prejudice the plaintiff, *as well as the non-defaulting defendants*. Id. at \*7-8. In this regard, the Court noted that postponing the inquest could potentially jeopardize plaintiff's ability to recover for its injuries, as potentially protracted litigation against the non-defaulting defendants would provide the defaulting defendants with "ample opportunity to spend, secrete, or otherwise protect" their assets.<sup>6</sup> Id. at \*7. Finding that the proposed inquest on damages could give rise to substantial

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<sup>6</sup> For this same reason, the Court recognized that delaying the inquest would likely cause harm to the non-defaulting defendants as well, by requiring them to pay damages that would otherwise have been satisfied from the assets of the defaulted defendants. This potential prejudice to the non-defaulting defendants is all the more reason to strictly enforce the limitations on the Defendants' Executive Committee's authority in the present context, and strike its letter submission to the Court.



prejudice to plaintiff's interests, and presented absolutely no potential prejudice to the non-defaulting defendants, the Court held that a prompt inquest in the damages was necessary and appropriate. Id. at \*9.

The International Gemological Institute decision offers compelling reasoning in favor of granting Plaintiffs' Motion for Assessment. As was the case in International Gemological Institute, the proceedings against the non-defaulting defendants in these consolidated cases are likely to be protracted. In fact, given the number of parties involved, the complexity of the issues presented, and almost certain appeals by both plaintiffs and defendants, final resolution of all claims against all of the non-defaulting defendants will almost certainly take several years. Delaying the assessment of damages until completion of those proceedings would allow the defaulted defendants to hide and transfer their assets, thereby depriving plaintiffs of any potential for recovery from those defendants. This risk is especially acute in the present case, given that more than 200 of the defaulted defendants are designated terrorist organizations and sponsors, located in foreign countries and dedicated to covertly funding terrorist attacks against the United States.<sup>7</sup> Plaintiffs respectfully submit that mild administrative inconveniences should not serve to effectively immunize such parties from any financial liability to the victims of the September 11<sup>th</sup> Attack. Indeed, delaying the assessment of damages against those defendants and thereby affording them an opportunity to shield their assets would run afoul of the ATA's stated objective – to imperil the flow of terrorism's lifeblood, money. Boim, 291 F.3d at 1021.

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<sup>7</sup> Given the predominance of designated terrorist organizations and sponsors in the defaulted defendant class, Plaintiffs submit that the concerns the Defendants' Executive Committee raises regarding potential harm to "innocent" parties is deeply misplaced. The far more likely scenario is that delaying the assessment of damages will benefit reprehensible parties like Osama bin Laden, Ayman al Zawahiri, Khalid Sheikh Mohamed and al Qaida itself. Regardless, unless the members of the Defendants' Executive Committee represent those defendants, they have no standing to present arguments on their behalves.

### III. CONCLUSION

For all of the foregoing reasons, Plaintiffs respectfully request that the Court strike the Defendants' Executive Committee's March 2, 2007 letter submission, and grant Plaintiffs' Motion for Assessment in its entirety.

Respectfully submitted,

COZEN O'CONNOR

BY:

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